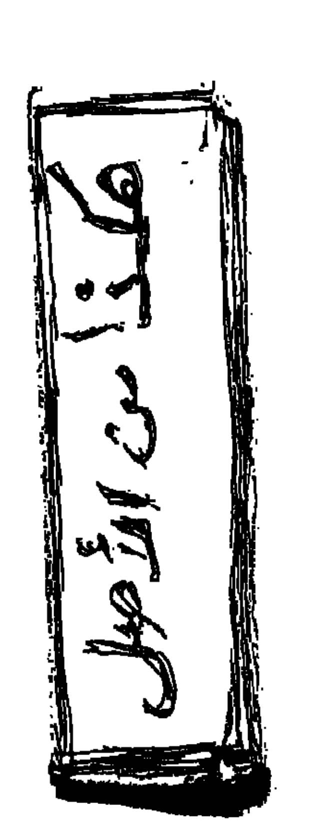
The German Tribune

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The Bush era begins with a promise of continuity

The most unusual commentary on the change of leadership in Washington could be heard in Moscow.

It related to the outgoing, not to the incoming president.

Pravda wrote: "We must admit that we not only often underestimated Ronald Reagan, but that we also viewed him in an oversimplified light."

Some western observers must have recalled their own assessments as the Soviet commentator continued:

"We took his simple appearance for simplicity, his rhetoric for his philosophy, his demonstrative toughness for lack of flexibility."

It seems fair to assume that the breathtaking spirit of glasnost and perestroika will not let itself be delayed by any nostalgia about the qualities of an, in the end, highly respected partner at the western superpower's helm.

IN THIS ISSUE

General-Anzeiger

This is more a case of fixing desirable coordinates within which the 41st President of the United States will move and for which he may develop the same "excellent political sense of hearing" (*Pravda*) as his predecessor.

The corresponding assurance by President George Bush indicates the retention of foreign policy continuity.

A glance at the new faces in the political management in the immediate vicinity of George Bush, in the State Department and in the National Security Council shows an undisputed predominance of the elite of the political intelligentsia educated at the Ivy League universities of the East Coast.

Experience is mobilised and utilised which dates back the Kennedy and Kissinger years.

Neither Reagan's successor nor the alliance partners need worry about the foreign policy legacy left behind by the Reagan era.

Its foundations are rooted in the re-established self-confidence of a nation humiliated by Vietnam and Watergate.

It is also based on a successful alliance policy as well as on disarmament concepts which were eventually seriously considered by the leader of the other superpower.

The new Administration will need time to define its positions in the field of East-West relations.

Its contacts with European alliance partners, and undoubtedly its influence on the already established cornerstones of common security and disarmament policy, will play an important role.

Nevertheless, the foreign policy significance of the Bush Administration, and, in the final analysis, the coherence of the Atlantic alliance, will depend on how it copes with the other legacy of the last eight years: the chronic trade deficit and the "vision" evoked by Bush himself of social considerations in a country in which the poor have become poorer.

It is here that a link between American approaches to solving problems and international, especially European, economic developments is indisputable.

The changing of the guard in Washington should also prompt Bonn to take stock of the state of German-American relations. The last few weeks

Continued on page 5



Not poles apart, after all . . . Warsaw Prime Minister Rakowski (le... welcomed to talks in Bonn by Chancellor Kohl. (Photo: Jose...)

Warsaw's more flexible line towards Bonn

German-Polish relations are again making progress after a time of setbacks. The talks in Bonn between Bonn Chancellor Helmut Kohl and Polish prime Minister Mieczyslav Rakowski pave the way for the finalisation of agreements which do justice to the interests of both sides.

A visit to Warsaw by Chancellor Kohl before the 50th anniversary of the German invasion of Poland could reaffirm the quality of these relations.

The change in climate has been made possible because forces have emerged in Warsaw which are not only interested in milking all benefits possible from Germany by harping on the German-Polish past.

Flourishing cooperation is only conceivable if both sides look to the future.

The Germans still living in Poland — whose existence was officially denied by the Polish side for many years — must be allowed to learn German at school, to buy German books and magazines and to attend German-language church services.

A German-Polish youth exchange programme and a Goethe Institute in Warsaw should be just as much a matter of course as a place of commemoration for the German resistance.

Kohl told Rakowski this, and the latter apparently understood.

This will stimulate closer economic and financial cooperation, something Poland needs so urgently.

A precondition is that Warsaw realises the limits to what Bonn can do. The aim cannot be to keep on pouring mammoth credits into a bottomless pit — a mistake made in the past.

This is something Warsaw also seems to have appreciated.

Bernt Conrad

(Die Welt, Bonn, 21 January 1989)

The old men of East Berlin want to keep their Wall

Two years ago, the Western powers in Berlin again raised the issue of the Berlin Wall.

Then in June last year, Bonn Foreign Minister Hans-Dietrich Genscher said in a speech in the East German centre of Potsdam, just outside East Berlin, that the Wall was a relic from the past.

Now the Wall is a constant theme. Outgoing US Secretary of State George Shultz used some very harsh words when he spoke about it.

The evasive response by the Soviet Foreign Minister to the question must have come as an even greater shock to the East German leadership.

He said that one would have to see whether there are continued reasons for its existence.

East Berlin party leader leader Erich Honecker has insisted on the sovereign right of the GDR to keep the Wall for the next 50 or 100 years.

His brutal choice of words revived the memory of the year in which the Wall was built. They were also reminiscent of the Stalinist habit of responding to undesired arguments by using knock-down arguments, for example, that the United States also try to keep out Mexican immigrants or that the GDR must be protected against Western European drug traffickers.

Such outbursts in East Berlin make observers in the West wonder whether they are to be interpreted as a sign of weakness or a sign of strength. It would be advisable not to believe the former possibility.

The old men in the East Berlin Communist Party know that the wall gives them their only true protection. They need it.

Their assessment is correct that even the slightest sign of a change of opinion, even a nuance in a remark à la Shevardnadze, would cause even more problems with the GDR population.

This explains why they keep on saying: "No way, friends", and will continue to say so as often as necessary.

In doing so, they don't mind presenting themselves as the "bailiffs of a past system of coercion", as labelled by the chairman of the CDU parliamentary party, Alfred Dregger, or as the "Ulbrichts of the 1980s", (said the chairwoman of the intra-German committee, Hoppe, FDP).

Wall remains Wall. Hopefully, the Bonn politicians from all parties will remember this when they visit the Leipzig trade fair in eight weeks — for the sake of a smile from Honecker.

(Frankfurter Allgemeine Zeitung für Deutschland, 21 January 1989)

■ INTERNATIONAL

Contradictions plus dribs and drabs of truth in the Libyan factory affair

Bonn Finance Minister Gerhard Stoltenberg is known for his restraint. His announcement on 16 January that he was unwilling to go into the "criminal details" in the chemical weapons affair involving the West German firm Imhausen Chemie came as no surprise.

He did, however, say: "We must work on the assumption that the factory is a plant in which poison gas can be produced."

So far the Bonn government has been cautious in its assessment of suspicions that German firms not only supplied the Libyan leader Colonel Gaddafi with a factory for production of chemical weapons, but also in its handling of the "whole truth".

The truth came in dribs and drabs, generally in contradictions and as rule only after the press had speculatively spread out the news in its headlines.

After the *New York Times* first ran a report about the Libyan connection of the Black Forest chemicals firm Imhausen on 1 January, the government in Bonn confirmed one day later that President Ronald Reagan had informed Chancellor Helmut Kohl about this suspicion on 15 November 1988.

About a week later Bonn government spokesman Friedhelm Ost announced that Bonn's Federal Intelligence Service (BND) had already reported Imhausen's possible contacts with Libya at the end of September 1988 and mid-October 1988.

Three days later Stoltenberg came up with the version that the first tip-off on the firm's activity in Libya was given at the beginning of August.

This information policy, which cannot be explained by merely referring to crime-tactical considerations, have even more surprises in store.

Stoltenberg precluded such a development during his press conference by stating that "the criteria for the political debate change very fast."

What Bonn needs are clear export policy criteria to prevent the kind of ambiguity which makes technology mercenaries and other "dealers in death" feel certain that German authorities will turn a blind eye to dubious export activities.

Such ambiguities in the legal stipulations in this field as well as in their practical application are to blame for the fact there is still no evidence in the Imhausen case which can "stand up in a court of law."

Regardless of whether the information can stand up in a court of law or not one thing is certain: thirty West German firms supplied chemicals, blueprints and components for the Rabta chemical plant in Libya or for facilities in the immediate vicinity.

The offical contractor was generally the Iraqi Ishan Barbouti and his company Ishan Barbouti Industries (IBI).

The firms Raab-Karcher, Satorius Metallbau, John Zink and Hünnebeck were among the suppliers.

In November 1988 the Hanover-based Preussag AG supplied a drinking-water processing plant for the town of Garian, five kilometres from Rabta.

Via Imhausen the state-owned Salzgitter Industriebau GmbH (SIG) sent planning documents worth roughly DM7m and the firm Merck in Darmstadt sent a consignment of the multiple-use chemical ethlylene dichloride via an Eshborn-based haulage contractor.

At the moment there is no indication that any of these firms could have known what is actually being produced in Rabta. Not so in the case of Imhausen.

There is every indication here that the firm played an important role in the construction of the chemical plant in the desert, which was probably built with the intention of producing chemical weapons.

It is difficult to imagine that the firm's managing director, Jürgen Hippenstiel-Imhausen, knew nothing about this.

His statement at any rate that he has "nothing, absolutely nothing" to do with the project is obviously a lie.

The Customs Crime Investigation Institute (ZKI) in Cologne found evidence of extensive correspondence between Imhausen and Barbouti's firm IBI with clear reference to the project "Pharma 150" in Libya during its inspection of the office of IBI's former tax consultant, Harry P. Meyer.

Hippenstiel apparently did everything within his power to cover up his business contacts with Libya.

This is the only explanation for the time and effort he invested in activities in Hong Kong, which would make no sense at all if his business connections to Libya were harmless:

- Imhausen's subsidiary Pen-Tsao-Materia-Medica-Center Ltd. does indeed, as claimed, operate a building site on a plot of land close to the Chinese border.

This building site, however, which "just happens" to bear the same name as Gaddafi's chemical plant: "Pharma 150", is not much more than an empty building.

- The firm is pretty unusual in other respects, too.

The Pen-Tsao manager, a Hong Kong Chinaman with a British passport by the name of Daniel Cheng, resides in a tiny office on Kowloon's Chinatown.

DIE ZEIT

He is also owner of the Dee Trading Company, which in its turn holds a 23.08 per cent share in the Imhausen Chemie GmbH.

- When Pen-Tsao was founded in 1985 the offical business purpose was to construct the "Pharma 150" in Hong Kong.

When Hippenstiel opened an account at the Hong Kong subsidiary of the *Schweizer Bankverein*, however, he claimed that the business purpose was "trade in chemicals and chemical installations" and in another section "trade in chemicals outside of Hong Kong."

- The Antwerp-based shipping company Cross Link diverted a shipment of components and machinery officially destined for Pen-Tsao in Hong Kong to Libya.

Just before his recent arrest in Belgium the managing director of Cross Link admitted that he re-billed the transport documents accordingly.

Hippenstiel is unlikely to provide any clarification of the affair in the near future.

He has cut himself off completely from the outside world and is not available for interviews with journalists.

Another firm is also being talked about. The small engineering firm Intec Technical Trade und Logistik Gesellschaft mbh domiciled in the Vaterstetten (Bavaria) informed the German weekly magazine *Der Spiegel* that it had "nothing to do with the construction of aircraft in Libya."

Now the firm with its staff of eight admits that it is in the aircraft business with Libya.

It claims that it delivered two transportable facilities to Libya for refuelling aircraft on the ground.

In the meantime the Regional Finance Office in Munich has taken a closer look at the business transactions of the Intec — on instructions issued by the Bonn Finance Ministry in June 1988.

The inspectors suspect Intec and its owner Eberhard Mohring of "unlicensed exports of various semi-manufactures and manufactures of machinery and aircraft installations."

There are fears that Intec may be supplying installations for mid-air aircraft refuelling and thus opening the way for Libyan MiGs to Tel Aviv.

It is still not clear how many other firms are entangled in the affair. How could all these activities by-pass the supervision of the German authorities?

Is it possible that individuals inside the Federal Republic of Germany took part in projects jeopardising world peace, something Chancellor Helmut Kohl regards as inconceivable?

The chemicals industry is certainly not that profit-hungry. After the Federal Republic of Germany agreed in the treaty on the Western European Union (WEU) in 1954 to refrain from the production and proliferation of chemical weapons, the German chemical industry always subjected itself to the annual checks by the WEU arms control office.

The chemicals industry accepted these controls without exception and voluntarily.

The know-how about the "relevant" chemical reactions, however, is still available today and is applied, for example, in the production of pesticides.

As Martin Burgdorf, the chemical weapons control expert at the Federation of the German Chemical Industry (VCI), explained: "Eight out of ten reactions have to be carried out anyway."

The exporting of chemical agents which could be used to produce weapons, however, is subject to government restrictions.

Nine highly explosive chemicals are only allowed to be exported following an authorisation by the Federal Office for Trade and Industry in Eschborn.

Other industrialised countries restrict the exporting of a lot more chemicals.

The USA, for example, imposed an export ban on seventeen other substances to Iraq, Iran and Syria.

Australia has export controls for thirty chemicals, and Greece also has tighter export checks than the Federal Republic of Germany.

Yet the German chemicals industry does observe voluntary restrictions.

After poison gas started being used during the Gulf war the chemicals branch joined the "Australian Initiative".

This group of nineteen western nations has issued a list of forty substances which can be used to produce weapons and which should only be exported with particular caution.

The VCI sent a circular to all its members recommending that they only supply the listed products to known clients and for known usages.

The recommendation was worded as follows:

"In business transactions involving chemicals mentioned on the list enclosed we recommend particular caution regarding the question of customer reliability with respect to aspect of non-military use."

Chemicals companies should always then become suspicious of potential clients if they offer to pay in cash, VCI expert Burgdorf warns.

As, for example, in the case of Gaddafi and Imhausen partner, Barbouti.

These recommendations and criteria also apply to the firms affiliated to the VCI which export chemical plant and machinery as well as chemicals.

Anyone who orders such installations without demanding a guarantee for a certain line of production arouses suspicion.

There is, of course, no guarantee that VCI members comply with these recommendations.

Nevertheless, VCI spokesman Volker Kalisch stated categorically that any firm which deliberately ignores the list does not deserve to be a member of the organisation.

VCI officials have not yet decided whether this principle should be applied in the case of VCI member Imhausen.

They were extremely annoyed about Hippenstiel's "unjustified scolding of the media" and his "absolute refusal to provide information."

A further unusual aspect is that Imhausen has not so far taken up the VCI offer to support the firm in word and deed.

This offer only applies under the condition that Imhausen is not involved in shady dealings.

There is no perfect means of preventing abusive practices in the field of exports.

If potential chemical weapons producers procure equipment throughout the world and in the form of different individual components they are unlikely to stumble.

Some of the main suppliers are German mechanical engineering as well as plant and equipment manufacturers, the showpiece branch of the Federal Republic of Germany.

As opposed to export controls in the chemicals industry, controls in this field rarely lead to concrete suspicions.

As Alexander Batschari, spokesman for the Association of German Mechan-

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■ HOME AFFAIRS

SPD rejects *call* for return to a *policy of* nationalisation

An attempt to reintroduce a clause favouring nationalisation into the Social Democrat's policy programme has failed. A commission set up to examine policy has finally approved a manifesto after three years of deliberation. Party chairman Hans-Jochen Vogel says 95 per cent of the draft programme, which has to be approved by a party conference, was unanimously accepted by the commission. Controversial passages relating to the relationship between market forces and the government were approved by 13 votes to eight with three abstentions. This was a success for deputy chairman Oskar Lafontaine and his market-oriented ideas. But an attempt by a left-wing member, Peter von Oertzen, and some trade unionists to push through a clause in favour of nationalisation was beaten. Basically, nationalisation was jettisoned by the party in 1959 at its historic Bad Godesberg conference when the party abandoned all Marxist policies and drew up a social market platform.

The former chairman of the Jusos, the youth organisation of the SPD, Willi Piecyk, was the only member of the SPD's programme commission to vote against the draft of the SPD's new basic policy programme.

It was accepted by the commission on 12 January after three years of preparation.

Piecyk didn't reject the draft because of any general disapproval. He simply felt that the programme intended as a basis for SPD policy during the next thirty years or so is simply too "short-winded."

The authors of the draft programme were not able to control their inclination to illuminate every political detail, leaving nothing unexplained and little scope for all too broad interpretations.

At the same time they constructed programmatic snares in which future SPD politicians may get trapped.

The overfulfilment of their target by the commission is not just the result of some love of extensive formulations or some desire to make a really good impression.

The final version of the text will probably fill seventy type-written pages.

Its extensiveness reflects the difficulties facing a people's party divested of government power.

It has to consider its traditions as well as keep pace with social developments on which it cannot exert a direct influence.

This fundamental conflict explains why nine comrades in the programme commission did not expressly approve of the final draft.

This suggests that some pretty heated discussions can still be expected at grass roots level.

Party chairman Vogel hopes that the new party programme will get the official seal of approval of all delegates during a party conference scheduled to be held in Bremen in August.

It now looks as it a postponement is not as improbable as he initially believed.

Oskar Lafontaine's modernised concept of labour, which upgraded non-gainful employment to such an extent that he was heavily criticised by the trade unions, is unlikely to be the main bone of contention.

The dispute about the party's economic policy course, on the other hand, is by no means over.

Peter von Oertzen sounded the battle-cry of former years.

In the end, however, his demands for investment control by economic and social councils were just as unsuccessful as the minority demand for a nationalisation of the chemicals and pharmaceuticals industries as well as of the banks.

These dusty demands had really already been dropped by the SPD in its 1959 Godesberg Programme.

The commitment to competition and pluralism is so clearly formulated that even pronounced supporters of the market economy, such as FDP leader Count Otto Lambsdorff, agree that the programme moves in the right direction.

Count Lambsdorff cannot say much more than that for fear of upsetting his conservative coalition partners.

It's hardly surprising that the SPD has no intention of entrusting all policy fields to market forces but calls for greater intervention in the environmental and social policy fields.

No German political party wants to do away with a framework of government influence altogether.

Sceptics who don't trust the market economy postulations by the Social Democrats find plenty to quibble about in the programme.

The draft programme states, for example, that public ownership may not only prove expedient but also essential if a "healthy regulation of economic power" is no longer guaranteed.

With the help of a "both-and" approach, an approach favoured by former party chairman Willy Brandt, the SPD tries to pacify the "traditionalists" as well as the "modernisers." Vogel and Lafontaine don't approve of this labelling of the various currents of thought in the party. Lafontaine's elegant line of argument that any modernisation must be based on tried and tested traditions cannot hide what the discussions about the party programme have exposed.

The SPD is finding it difficult to shed ideological ballast.

The search for a new concept of progress will remain arduous as long as the SPD is unable to decide which technological developments it should support and which it should reject.

The party's experience in the field of nuclear energy, once so highly praised by the SPD, has been a lesson to many.

The finalisation of the wording of the party programme, which is to provide a basis up to and beyond the year 2000, makes it easy to understand those Social Democrats who question the meaningfulness of the whole project, which may provide greater clarity, but has opened up old sores.

Sten Martenson

(Stuttgarter Zeitung, 16 January 1989)

Now on to 1990 . . . Vogel (left) and Lafontaine presenting the SPD draft policy programme. (Photo: dpa)

Pre-election year — time for parties to mould campaigns

The annual FDP Epiphany meeting in Stuttgart traditionally represents the beginning of the party-political year in Germany. But what kind of year lies ahead?

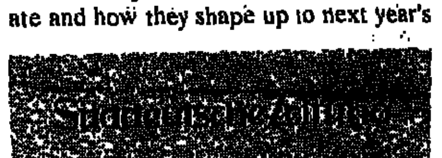
Taking the various elections as a yardstick, it looks like being quiet.

Apart from the Berlin assembly election this month, there are only a few local government elections coming up.

Does this mean therefore that this is a breather before next year, when there are four *Land* elections and, as the culmination, the general election?

No. Nothing could be more mistaken. It's obvious that 1990 will only provide enough time for the parties to put the finishing touches to their campaigns.

What they have to offer to the electorate and how they shape up to next year's



elections has to be conveyed to voters this year.

Both of the big people's parties, the CDU and the SPD, are by no means in a position in which they can rely on presenting a convincing picture.

Despite differences in the popularity ratings of public opinion polls they both have one thing in common: they are a long way from being properly equipped for the fray.

They are troubled by uncertainties — with respect to their election prospects, the strategy they should pursue and the assessment of their own abilities. The conservative union cannot be certain that the government's tax and health reforms will be understood and appreciated by the voters as a course of consolidation for health costs and the willingness to invest.

Even if it current popularity low improves during the course of the year it is still faced by the problems which almost always confront parties in government — as shown in the case of the SPD during the final years of the SPD-FDP coalition.

The discrepancy becomes clear between the original expectations aroused by the party when it was in opposition and the achievements accomplished under the constraints of day-to-day politics.

A great deal of the national-conservative and the fundamentalist unruliness within the conservative union at the moment has its roots in this discrepancy.

It's still not clear whether this conflict can be neutralised. The danger of repeated disputes about political directions remains a latent threat.

The SPD for its part is not only faced by the difficulties involved in elaborating a new party programme.

These difficulties are so substantial that the party conference planned in August to officially adopt the programme may have to be deferred.

Party programmes and the associated dicussions only have indirect and catalytic effects.

They can lead to clarifications, speed up the process of defining the crucial issues and allocate competences within the party.

What they cannot do help create a feeling that the Opposition party of today could be the government of tomorrow.

Although the SPD may have gained a great deal during recent years — an awareness of a distinct identity inside the party and greater support from the population as a whole — there is still no firm conviction that the SPD is the best choice.

The party still has to work on getting the message across to the voters that its internal regeneration has turned it into a votable alternative.

The two big parties must not only find a way of tackling the friction and conflict inside their own parties.

They must also fight against the general disenchantment with politics and political parties, disenchantment which is by no means unjustified.

There is a great temptation to move into position by simply flogging certain controversial issues to death or engaging in strategic manoeuvres.

This only leads to momentary successes. In the long run it leads to doubts about the credibility of the parties.

What is more, it degrades those efforts of politicians and of politics which should be taken seriously.

One party will, of course, be the winner; in a different respect, however, all parties may turn out to be the losers.

This year there is unlikely to be any change of government and the highlights of the business of politics will only be announced but not effected.

Instead, politicians will — hopefully — tackle major tasks such as the reform of pension scheme or of the youth welfare system and all the other reforms being considered by the various Bundestag committees.

Nevertheless, this will be an important year. We'll realise that in 1990.

Hermann Rudolph

(Süddeutsche Zeitung, Munich, 5 January 1989)

■ INTRA-GERMAN RELATIONS

Critics say Bonn is getting little in return for its Deutschlandpolitik

Some critics in the West say that Bonn's policy towards the East Berlin regime of Erich Honecker, which is based on broad consensus, is helping East Germany maintain the status quo instead of encouraging it to change like the Soviet Union and other East Bloc countries. These critics also ask whether Bonn is getting a fair return for its policy or if most of the benefits are going east. Hermann Rudolph reports for the Munich daily, *Süddeutsche Zeitung*.

When people in East Germany want to be ironic about their lives in a socialist society, they say: "We just let things run their socialist course."

Although there is an obvious note of resignation in this, there is also a touch of the sober and the pragmatic: although you have to cut your coat according to your cloth you can somehow manage if you keep your eyes open.

The same could also be said of Deutschlandpolitik. It also runs its German-German course: small steps forward, arduous attempts towards normalisation repeatedly interrupted by disharmony — such as the flight of East bloc people seeking an exit permit to West German diplomatic missions.

The policy is based on a broad consensus, so the doubts about it are all the more surprising.

There is a growing impression that the policy of step-by-step has achieved all that it can. Many observers now feel that it is now going round in circles.

Others criticise the fact that the GDR has benefited so much from intra-German arrangements. They ask whether service and service in return are fairly distributed.

Some critics go a lot further. In view of the stubborn refusal of the East Berlin leadership to open up to the changes taking place in the Soviet Union and in other Eastern European countries, they maintain that it's the money Bonn gives Honecker which enables him to avoid such reforms.

They claim, therefore, that, contrary to its intention, Bonn's policy towards East Berlin is not contributing towards change but stabilising the system there.

They say pressure should be exerted instead of trying to seek a balance of interests.

The movement emanating from Gorbachov's policy should be used to force the GDR to effect more changes and even to bring about a solution to the German Question.

What better time is there to grasp the opportunity of turning Deutschlandpolitik into more than just a repair institutioon for the otherwise accepted dual statehood than when a great deal is beginning to sway in the East bloc anyway?

The least such questions demand are questions in return. What signs are there that a party leadership which — as in East Germany — clings to power so fearfully and defensively will let itself be pressurised into making changes?

Isn't such a regime more likely to respond by showing even greater intransigence? As for Gorbachov's policy of reform, does it have to provide opportunities for a solution of the German Question?



Isn't the opposite conclusion just as logical — that reunification seems even less probable than before, since Gorbachov's reform policy would be unable to cope additionally with dissolution tendencies on the western fringe of the socialist empire?

Behind the criticism of the previous Deutschlandpolitik there are no considerations or even a concept of how to overcome the difficulties this policy is up against.

Nevertheless, this criticism should be taken seriously.

It shows that this policy and the consensus on which it is (supposed to be) based have come up against their limitations.

Following the creation of a network of treaties, arrangements and talks between the Federal Republic of Germany and the GDR as a basis for a sound Deutschlandpolitik the policy lost a great deal of its momentum.

The small segment of acceptability it chiselled out of German-German realities — more opportunities for unrestricted travel between the two countries, cooperation in many fields, cultural exchanges and town-twinning arrangements — has not healed the wounds caused by frustration and anger in the GDR about the division of Germany.

In fact, the policy made the wounds more visible. In the Federal Republic of Germany, too, this policy not only resulted in a coming to terms with the division.

It also raised new question aobut about it meaningfulness.

Deutschlandpolitik, however, will continue to run its lacklustre German-German (crawling) course in future. For, no matter how you look at it, alternatives are not in sight.

In view of the changes in the relationship between the two Germanies, this policy must explain anew what it can do and what is should not do.

It will continue to be confronted by the dilemma of having an interest in a stable GDR — it can only pursue a "policy on behalf of the people" if there is a predictable partner for negotiations — yet not wanting to stabilise the GDR leadership *against* the wishes and needs of the people of the GDR.

The yardstick for the success of this policy will always be whether it has really improved the situation of the people in the GDR.

In other words, shaking hands, drawing up agreements and exchanging measured declarations, all too readily praised as the asset side of Deutschlandpolitik, is in reality only a means to an end.

If this policy loses sight of this fact it deforms itself and cannot complain about lacking persuasive power.

The room to manoeuvre for Deutschlandpolitik had undoubtedly increased during recent years.

Yet it would be an illusion to believe that its fundamental difficulties have diminished.

Hermann Rudolph

(Süddeutsche Zeitung, Munich, 16 January 1989)

Continued from page 2

ical Engineering and Plant Construction (VDMA), pointed out:

"The supplier has no idea what the recipient intends doing with a motorised lathe.

"Even if he has something absolutely harmless in mind he wouldn't tell the supplier if he wants to launch a new product."

A motorised lathe can produce lipstick cases as well as cartridge cases.

And a sea-water desalination plant can be used to irrigate the Libyan desert as well as to treat the water needed for the production of chemical weapons.

The problem of dual-use products, products which can be used for both military and non-military use, is particularly difficult to tackle in the field of mechanical engineering.

This explains why the German embargo list of mechanical engineering goods requiring an export licence is so extensive.

This list often turned out to be an obstacle for many a lucrative export deal.

The mechanical engineering branch has been complaining, quite rightly, for years that the list is no longer up-to-date with regard to certain exports to East bloc countries.

Up until autumn last year, for example, there was still a ban on exports of simple personal computers to the East bloc, even though this was completely inappropriate in view of the actual market situation.

So far attempts to sort out the relevant embargo lists have been unsuccessful.

The USA, without whose approval hardly any of the export restrictions can be changed, even shows a tendency to extend the range of blacklisted products.

This automatically leads to a greater number of loopholes, especially since the German supervisory authorities — both the Federal Office for Trade and Industry and the customs authorities — are undermanned.

It is still not clear which is the legal basis for action against Imhausen.

The German Foreign Trade Act was tightened in 1984 to also subject those installations to export controls which *could* be used for the production of war gas and not just those which are specifically constructed for that purpose.

Legal action is currently being taken against this regulation and there are doubts about its legal effectiveness.

It cannot be ruled out, therefore, that Imhausen may go unpunished even if evidence is provided in court substantiating the firm's involvement in a chemical weapons deal with Libya.

Even in cases where there is grounded suspicion the authorities are often extremely lenient.

During investigations by the Customs Crime Investigation Institute in Cologne against German firms suspected of having helped Iraq build poison gas factories one Federal Office of Trade and Industry official said that they initially decided not to look into the case for lack of time.

He also admitted, however, that officials had refrained from investigations because this was a "hot problem" and only took up the matter three months later.

There are other examples of delayed reaction.

In summer 1986 the Federal Intelligence Service (BND) already had serious suspicions that the Düsseldorf nuclear power dealer Alfred Hempel was involved in dubious export deals.

The usual memorandum found its way to Bonn as diary entry number 21/88 of 7 July, 1986.

With considerable delay the memorandum reached the department responsible in the Bonn Economics Ministry on 14 June, 1988.

In line with the usual instructions issued by a liberal Economics Minister the head of this department made a note in the margin:

"Hempel's extremely good relations in trade with the East bloc should be an additional reason for not unncessarily subjecting his firm to a foreign trade inspection."

This one sentence reflects the dilemma facing Bonn's export policy.

A simple foreign trade inspection, which virtually involves no more than a look through the books, is already regarded in the Economics Ministry as a step which should best be avoided.

Even peace researchers agree to the claim that laws, stipulations and controlling their observation can never function perfectly.

In a study on the extent and the impact of export controls Reinhard Rode from the Hessian Peace and Conflict Research Foundation even comes to the conclusion that at least forty per cent of the products on existing embargo lists should be deleted.

In the long term and presuming there is a lasting policy of detente a reduction of ninety per cent is conceivable.

The only remaining products on the list would be the particularly sensitive high technologies, whose export should be supervised as tightly as possible.

In Rode's opinion the main question in this field has nothing to do with new regulations on export bans nor with greater punishment.

Should the government in Bonn only then take action if it has evidence which can stand up in a court of law?

Rode's answer is: "If the BND finds out that something is taking place which is not in the interest of German politics then the government could go to the firm and tell it to stop it. I'd like to see the manager who doesn't respond to such a move."

The extensive catalogue of government export promotion measures and the government's research promotion programme — the firm Imhausen has received over DM62m in Bonn research funds since 1972 — justify the creation of an informal early-warning system by the government.

This would help in cases where the laws and controls are not or cannot be watertight enough to warrant calling in the public prosecutor.

As Rode puts it: "To set up such an early-warning system you need new exporting ethics. This must exist in the firms and among political decision-makers.

"In the light of our own history part of this ethic must be to be more careful when it comes to certain exports than others. A firm doesn't go bust straight away if it loses one contract."

Wolfgang Hoffmann/Nikolaus Piper with *Karl-Heinz Büschemann/Peter Seidlitz*

(Die Zeit, Hamburg, 20 January 1989)

■ PERSPECTIVE

A new start with a new Administration

The advent of a new Administration in Washington gives Bonn an opportunity to make a new start in the field of German-American relations.

The conflict about the involvement of German firms in the building of a poison gas factory in Libya have shown that this is urgently needed.

The way this controversy developed explains the discord. American suspicions were ignored in Bonn for months, according to some sources for one-and-half years.

Finally, Secretary of State George Shultz informed Chancellor Helmut Kohl himself.

This indicates that normal contacts between Washington and Bonn had broken down somewhere along the line.

The dispute about the presentation of "proof" revealed a lack of mutual trust, something which is officially denied.

After all, Bonn Foreign Minister Hans-Dietrich Genscher was given an American "declaration of trust" in the Bonn government by Shultz in Paris.

Yet if the basis for relations is a trusting one why bother issuing such declarations?

Admittedly, German-American relations never were easy in the past and are unlikely to be so in the future.

This is due to the difference in size and in the roles played in the alliance.

A further factor is the indivisibility of the right of disposal over nuclear weapons and business competition.

Slip-ups are always bound to occur in the management of such a complex relationship.

All governments in Bonn occasionally had reason to complain about the volatility of American decisions.

The Americans for their part often criticised the weakness of will and the egotisms of the Europeans. On the whole, Washington showed patience.

Behind the interest of individual nations in the alliance there is a greater interest in the western community of states.

How is all this viewed in the Federal Republic of Germany?

There is continued evasiveness on the question of the successor to the *Lance* short-range missile.

A number of leading German politicians have characterised this project as a circumvention of the INF treaty, as "rearmament" or as a "singularisation" of the Federal Republic of Germany.

And what about Bonn's refusal to extradite the Lebanese hijackers of an American airliner and the murderers of an American citizen?

Not to forget the hysteria of the German public — tolerated or taken advantage of by most German politicians — with respect to anything which can be logically or not so logically linked with aircraft noise and low-altitude test flights.

The reduction in training and manoeuvres by the German armed forces has caused uncertainty among Bonn's allies.

The talk about the alleged "occupation mentality" of American commanders and the pinch of venom in the complaints by German politicians about the alleged lack of "sovereignty" in the Federal Republic of Germany have also upset transatlantic harmony.

The unjust interpretations are painful, even if the Americans remain silent so as not to cause even more unnecessary damage.

Where do these politicians want to lead the Federal Republic of Germany?

What do these signs of unreliability means, especially in comparison with the increased activity in the field of Ostpolitik and the beating of the big drum for Gorbachov in the West?

Doubts have long since been cast in Washington on Genscher's contribution in this context.

During recent years the experienced Foreign Minister found astonishingly little time to foster the German-American relationship.

The personal relationship between Shultz and Genscher became something between chilly and frosty. There were times when Shultz refused to talk to Genscher.

There must have been reasons for this, reasons which may be found on both sides.

There is growing uneasiness in America about the zealousness of the German Ostpolitik and the fact that this is accompanied by a reduced material and, more important still, immaterial German contribution to defence.

Pleasant-sounding and stereotyped professions of the lasting allegiance of the Federal Republic of Germany to the "western community of values" are not enough.

Genscher is armour-plated with balanced communiqué phraseology against which all criticism bounces off.

One year ago in Washington, for example, he simply ironed over a question about neutralist tendencies in the Federal Republic of Germany.

He said that the question has not been directly or indirectly addressed by any (American) partner in discussionns.

He added that this was impossible anyway, since he was one of the discussion partners and this subject is unlikely to be on the agenda. He claimed that no-one would hit on such an "absurd idea."

Yet is the idea so absurd in view of opinion poll findings in Germany on the assessment of the two superpowers and the revealed reversal of their assumed "dangerousness" for world peace?

An illusionary revaluation of the conception of the world has come into vogue in German public opinion. Although the government in Bonn has nothing to do with this directly this in itself is disturbing.

The government is not the opinion-leader; the government does not provide corrective stimuli; and its Foreign Minister refrains from warning about wishful thinking with regard to the Soviet Union and protecting the reputation of Bonn's chief ally.

Günther Gillessen

(Frankfurter Allgemeine Zeitung für Deutschland, 17 January 1989)

Balances and imbalances in Bonn-Washington link

The author, Professor Werner Weidenfeld, is Professor of Political Science at Mainz University and Bonn government coordinator of German-American cultural relations. The article appeared in the national daily, *Die Welt*.

Selective irritations are prevailing in headlines on the German-American dialogue. The language in the American media is extreme.

It will take some time before a reference such as "Auschwitz in the sand" can be erased from our memory.

Vague conjecture in public by American politicians, ill-will on the German side; the echo and counter-echo resound across the Atlantic and stir the emotions of millions.

The events in Libya mingle with the American displeasure at the European Community ban on imports of hormone-treated meat.

People soon talk about a "trade war" or a "low" in German-American relations — and all this in an era of historical success in the Atlantic community.

What is needed now is a sense of the proportions of German-American friendship.

A more careful look at the situation reveals that transatlantic ties were always accompanied by such momentary disturbances.

This, however, never really damaged the politico-cultural frame of a realiable friendship.

German-American relations defy simple descriptions. The complexity of this partnership repeatedly produces misleading simplifications.

One result is the frequent dramatisation of the situation — the fear of unreliability or even of the Germans drifting away from the Atlantic community. Or the gloomy vision of America turning its back on Europe.

This contrasts strikingly with the stability and power of German-American friendship since the war.

As opposed to the dramatisation variant we find descriptions of harmony, as if conflicts of interests and differences of opinion should not exist at all in friendly relations.

Both approaches - dramatisation and harmonisation — have little to do with reality.

The assessment of the situation and future of German-American relationseems to have been thrown off balance.

This explains why there is a need for a sense of political and historical proportions on both sides of the Atlantic.

Over the decades there have been a series of undeniable paradoxes which the German-American partnership has apparently been able to live with:

- Germans and Americans are reliable friends — and yet they often find it difficult to understand each other.
- Germans and Americans live in a security community — and yet doubts are repeatedly expressed about the security policy reliability of the transatlantic partner.
- Germans and Americans are economically have close economic ties — and yet both sides accuse each other of wanting to make profits at the expense of the partner.

Americans have always found it difficult to understand the inner logic of Western European integration and its economic consequences — and the Europeans haven't done all that much to help them.

How does all this go together? Friendship and misunderstanding, re-



liability and mistrust, cooperation and sharp criticism?

What is the explanation for this paradoxical mixture of the experience of friendly proximity and elements of clearly discernible dissociation?

Anyone reading the headlines of recent weeks will find no answer to this question.

Their tenor symbolise the narrowing of interest to the selective moment in time, to the surface of an existential relationship whose really deep dimensions should be emphasised.

The perhaps criminal activity of some business enterprise or even a single weapon category or its modernisation will not be the basis of the assessment of the exemplary friendship between the Federal Republic of Germany and the United States.

The future of this friendship depends on whether we can also sustain the vitality of the mental architecture of this friendship in generations to come.

A partnership can only be successful if each partner sees the world to a certain extent through the eyes of the other partner.

It is important to include the perspective of others into one's own way of thinking.

Is this being done to an adequate degree?

Perhaps the irritations of recent weeks are reason enough to recall the elementary basis of our friendship.

Initial misunderstanding would then lead to a constructive contribution towards a key asset for the future of western politics.

Werner Weidenfeld

(Die Welt, Bonn, 17 January 1989)

The Bush era begins

Continued from page 1

have shown that these relations are by no means problem-free.

The verbal exchange of blows between Bonn and Washington over the alleged German supplies to Libya's chemical weapons producer was not so much the cause as the symptom of American displeasure at what could, to use a football term, be described as the German position of "sweeper" in the fields of foreign and foreign trade policy.

This criticism is primarily levelled against the fact that Bonn seems to be orientating its political energy towards Gorbachov's disarmament initiatives rather than towards safeguarding Nato strategies.

In addition, there is a feeling of unease about the German motor in the creation of a huge European internal market, a "fortress of Europe."

This is undoubtedly compounded by concern over the changed priorities in the German discussion about the need for at the moment unchanged defence efforts.

Bonn will be unable to ignore this overall mood.

Europe's growing role in the alliance still requires American backing, without which the new quality of the dialogue with Moscow would be inconceivable.

The change in the White House is a good opportunity to cast the Germany image of the Americans in a more solid and reliable mould.

Friedhelm Kemna

(General-Anzeiger Bonn, 21 January 1989)

■ TAXATION

A matter of withholding — and of more pain

From 1 January, everybody in Germany is liable to pay withholding tax or other form of tax at source.

All interest earned will be affected including that on life insurance.

Anyone who has income and interest payments above the by-no-means-generous exemption limit is involved.

A saver who gets more than DM20 a month in interest on fixed deposits of 30 days duration must remit a tenth to his tax office 12 times a year.

When the saver puts in his or her income tax returns the money will be refunded a year later. This is what is called a simplification of the tax system.

The above case is a simplification. Many people must devote their time to considering what and how much is subject to taxation at source, what and how much is exempt, how important will it become in the future to buy foreign or domestic debt bonds in deutschemarks, the former exempt from withholding tax, the latter not.

The banks must also get involved in this, of course. Some say that if the banks recommend investments to their customers which do not attract withholding tax, that is encourging tax evasion. Others maintain that it is a service.

It is a kind of a service, That this or that bond is exempt from withholding tax does not mean that interest earned does not have to be taxed. In such cases it simply means that pre-payment of tax does not apply.

The customer himself must decide what he will declare to his tax office. The bank is not the tax office's henchman.

Many bank customers cannot take in the 1 January notification that interest credits must be taxed.

Here again that is also a customer service. No matter how unpleasant it is to some the notification makes clear that it is wrong to be silent about interest earnings.

The anger taxation at source has aroused is comprehensible, but it must be stressed that it is not a new tax on capital assets.

There have been forms of taxation at source for a long time. The tax on wages, withheld by employers, is one instance.

The capital yield tax on dividends, reforms introduced by Matthias Erzberger in 1920, were another case in point.

Most other European countries have withholding tax. Then the introduction of the Single European Market is approaching. It could be that a swift agreement is reached for introducing taxation at source in the European Community.

It is just as likely that the simpler, albeit highly disagreeable, methods of the tax-audit tracer notes from the banks (notice of payments sent by tax auditors to a person's local tax office) are preferred by tax officials.

With this arrangement taxation at source would be superfluous. But the door would be opened to snooping.

To many there is one comfort in all the pain and that is that tax officials can only carry out investigations which cut into the bank's duty to maintain secrecy about customers' affairs when there is concrete evidence of tax evasion. That is the law.

Honest taxpayers are indifferent to tax-audit tracer notes. Furthermore these tracer notes lie for too long in the tax office because the inland revenue does not have the staff to deal with them swiftly. Nevertheless they do save the tax authorities a lot of superfluous work.

Honest people seem to be in the minority when it comes to returns on capital. The tax-levying state is responsible for this.

Generally speaking tax honesty declines as taxes get higher. The tighter citizens are squeezed by the tax authorities, the more inclined people are to look for ways to evade paying tax. There are usually no legal methods available to the normal citizen.

The consequence is that people say nothing about interest received — and this to a degree that the discussion about taxation at source has revealed, and which has made many people who are honest about their tax returns ask themselves: why, indeed am I so stupid?

Should the tax authorities reward the dishonest with a tax amnesty? But that would present difficulties if the origin of capital were examined.

The introduction of withholding tax harms the economy and the tax authorities in a number of ways. First it complicates the tax system rather tham simplifying it.

In Trier a special withholding tax office is to be set up. This will be a burden on the inland revenue office personnel.

In addition 15 million citizens will have to be issued with non-taxability certificate.

Second, withholding tax will tempt more people to be quiet about interest income — it could be they will put their money in savings banks with a legally-set withdrawal notice.

But this interest income is only exempt from deduction at source rules, and not from income tax.

Third, because of high interest rates, more and more savings are being put into foreign bonds — in the first half of 1987 the figure was just DM11bn but in the same period of 1988 it was DM31bn.

Fourth, the interest lead in public bonds dwindles, so that borrowing by the central government and the states will become more exponsive.

Fifth, even with a tax amnesty the number of honest taxpayers would be few.

Roughly speaking the inland revenue will be cheated out of between DM10 and DM15bn in capital income. It is doubtful whether taxation at source could capture DM3 to DM4bn of this, especially as major groups such as the Church, political parties and foundations are exempt from it.

From 1 January honest taxpayers must provide short-term funds for the state, when they have to pay ten per cent in before-hand, which they only get back a year later, when tax returns are through.

Anyone who wants to get round the tax on capital income but does not want to go into foreign bonds, will pay ten per cent withholding tax (income tax is generally somewhat) — this is the great difference from what happened previously.

That so many foreign bonds are being bought and so many savings accrued in savings investment with lower interest rates, show savers intention to by-pass the tax authorities in the future. This can be blamed on high interest rates.

But it makes withholding tax a washout. It only creates more bureaucracy, more confusion and more difficulties for honest taxpayers. Tax policies of this kind are not very wise.

Franz Thoma

(Süddeutsche Zeitung, Munich, 14 January 1989)

Few countries where you can get away from it all

Many countries have a long tradition of applying prior taxation on investment income, which has become the horror of the present generation in the Federal Republic.

Generally speaking withholding tax rates are considerably higher than in this country.

The top taxation at source rate is 35 per cent, applied in Switzerland and Ireland. In America and Italy the rate is 30 per cent, three times higher than the rate applied in the Federal Republic.

Even in Japan, where interest rates are considerably lower than in the Federal Republic, the withholding tax on investment income is 20 per cent, and in France, Canada, Britain and Belgium the tax authorities take a quarter of the earnings from investors.

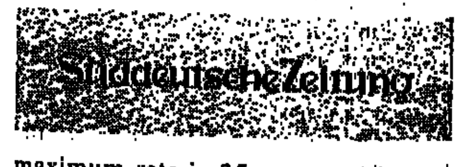
The Commerzbank, in a publication entitled *Around the Stock Exchange in 1988*, looked at taxation at source practices in 17 industrialised countries, Only Australia and Switzerland have the same rate as Germany.

There are few havens without withholding tax on interest income — Luxembourg, the Netherlands and the Scandinavian countries are the only European examples.

There is a different picture for taxation on dividends. For a long time these have been subject to taxation at source (25 per cent) in Germany.

Only in Britain and Ireland is tax on dividends not withheld.

In all other countries in the Commerzbank table the state steps in before dividends are distributed — the



maximum rate is 35 per cent (in "tax haven" Switzerland for instance).

The state sucks up 15 per cent on dividends paid to shareholders in financial centre Luxembourg.

There is some comfort for investors who get into the hands of a withholding tax devil abroad.

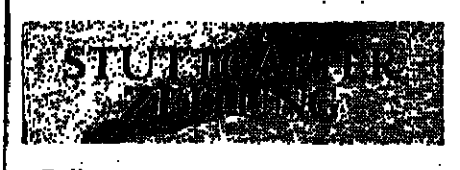
The Commerzbank says: "Withholding tax paid abroad, which is not subject to a claim for an allowance, can alternatively be charged against German income tax or can be deducted from the total amount of declared income."

In respect of double taxation agreements (agreements made to avoid double taxation) something else would be agreed.

(Süddeutsche Zeitung, Munich, 11 January 1989)

■ THE MOTOR INDUSTRY

1992 and mixed thoughts about Japanese makers



Volkswagen chief executive officer Carl Hahn clearly felt a little uneasy about the first Japanese car to run off a German assembly line. It was the first of 7,500 minivans that are to be jointly manufactured in Hanover by Volkswagen and Toyota.

The project was only an experiment, he said, a small one on a modest scale. But it was a first step.

He said there was a network of cooperation arrangements and strategic alliances spanning the United States, Japan and Europe.

Volkswagen, as European market leader, could not behave as though everything was staying as it was and VW had nothing to do with developments in international motor vehicle markets.

Of the 13 million cars newly registered in Europe last year 1,931,000 were manufactured by Volkswagen, Audi and Seat, or 2,000 more than by Fiat, Alfa-Romeo and Lancia.

And if Dr Hahn has any say on the matter that will continue to be the case in post-1992 Europe and the single internal market.

This deadline, 1992, exercises a compelling fascination for carmakers from all over the world, who are attracted to it like moths to a light-bulb.

In Japanese executive suites managers are busy wondering — no less busily than might be expected of the hard-working Japanese — how large a share of the European market they can corner as non-Europeans.

Even American manufacturers who pulled out of Europe years ago are now doing their level best to prepare for a comeback.

As for the Europeans themselves, they are still undecided whether to claim as large a market share as possible themselves or to be sensible and realise that non-European countries must retain access to the European market, as otherwise they will retaliate.

Giovanni Agnelli of Fiat has just managed, for one last time, to persuade the European Commission to allow Italy to keep Japanese cars out until the end of this year.

Signor Agnelli thinks first and foremost as an Italian, yet his French counterparts, who would not for a moment deny thinking first and foremost in terms of France, have already begun to reappraise the situation.

Jacques Calvet of Peugeot and Citroën still favours keeping Europe for the Europeans, but the state-owned Renault corporation is evidently even prepared to make common cause with the Japanese.

Both in France and in Japan rumours that Renault and Toyota are shortly to join forces in building a car factory in France are hotly denied — but the rumours persist.

Be that as it may, France sees itself as a suitable location for Japanese companies keen to invest in Europe, whereas in Italy Signor Agnelli would resist any blandishments.

If if it were for him to decide, even Japanese cars made in America would be banned from the post-1992 European market.

The European Community has yet to reach agreement on what local content is to qualify a car as having been made in Europe — and thus no longer liable to trade restraint.

Is it to be 50-per-cent or 80-per-cent made in Europe?

Nissan and Honda have both set up production facilities in Britain, whereas Spain is a playground for European manufacturers and has few remaining locations — and still fewer qualified workers — available.

That leaves only the Federal Republic of Germany as a serious alternative industrial location for Japan in Europe, but Germany has high labour costs and, by Japanese standards, stringent welfare provisions.

Toyota vice-president Tatsuro Toyoda saw for himself how jealously German trade unions are on their guard against "pragmatic approaches to cooperation."

Hardly had the first VW Taro run off the assembly line in Hanover but Karl Pitz of IG Metall, the 2.5 million-member German engineering workers' union, issued a warning not to regard cooperation between Volkswagen and Toyota as a contribution toward job security.

Similar instances of cooperation in the United States had shown them to lead not just to technological exchange; "Western partners often tend to adopt Japanese management techniques in respect of cutting costs and boosting productivity, Herr Pitz warned.

An expert commission has forecast a fillip to demand amounting to 500,000 new cars a year in the wake of the single European market. Unit costs are expected to be cut by five per cent.

Yet union officials remain worried about job safety in the German motor industry. "The unions face a primordial challenge," says Herr Pitz.

VW's Carl Hahn reassures both him and his fellow-carmakers.

Two years ago he felt restrictions on Japanese car imports were worth considering. He was not, he said, now going to throw the door wide open to the Japanese.

But he can nonetheless learn a thing or two from the Japanese, such as how to manufacture fairly inexpensive cars and do so at a profit.

Production costs will play a leading role in the European internal market, particularly where small and medium-sized cars are concerned.

Volkswagen's present performance is poor in this respect, with earnings running at a mere one per cent of turnover.

Toyota in comparison earned higher profits last financial year, up to DM7bn on a turnover of roughly DM92bn.

One is bound to admit that Volkswagen is the German manufacturer hardest hit by Japanese competition.

Design engineers at Nissan, Mitsubishi, Honda, Toyota and Mazda may be trying hard to compete with up-market German makes of car, but the fact remains that their 15-per-cent share of new cars registered in the Federal Republic consists mainly of compacts and medium-sized models.

The Japanese have decided to develop, manufacture and sell cars all over the world. By 1990 they will be manufacturing over 2.5 million units at factories in the home countries of their chief competitors.

They owe this mainly to their consistent 1970s policy of setting up production facilities in the United States, where roughly 2.2 million Japanese cars a year are now made.

Japanese carmakers' production capacities in Europe are still small, but the Japanese are evidently prepared to invest heavily.

The Nissan works in Sunderland, England, cost over DM2bn and is the largest single investment a Japanese company has yet made in Europe.

Last year 55,000 family saloons ran off the Sunderland assembly lines. By 1992 their capacity is expected to be 200,000 a year.

Klaus Dieter Oehler

(Stuttgarter Zeitung, 14 January 1989)

Big worries for manufacturers of small cars

When European motor manufacturers talk about 1992, the French and Italians in particular sound worried they might not be able to hold their own against competition from the Far East.

In the past they have fared far from badly in domestic markets protected by import quotas.

In the first half of 1988 cars imported from Japan made up 0.4 per cent of new registrations in Italy and 2.5 per cent in France — as against 14.5 per cent in the Federal Republic of Germany.

The European Community has allowed Italy to limit imports of Japanese cars via other European countries until the end of this year.

But once the single European market is established Article 115 of the Treaty of Rome, which gives the European Commission special powers to stop imports via third countries, will no longer apply.

German carmakers have for years competed with Japanese manufacturers in domestic and international markets. They are opposed to national trade barriers.

They say their open attitude towards trade policy has helped to make them more competitive.

German manufacturers expect liberalisation of trade between the European Community and third countries to benefit European exporters in third-country markets accordingly.

German carmakers in particular are worried about the "Fortress Europe" concept coined in the United States.

Carmakers in the European Community as a whole export a mere 13.3 per cent of their output to third countries; German carmakers export over 39 per cent to countries other than fellow-members of the European Community.

But German carmakers mainly manufacture family and de luxe models of a high technical standard that earn handsome profits. Italian and French makers mainly make small and medium-sized cars — categories in which Japanese competition is particularly strong.

Italian and French manufacturers also say that product quality and productivity in their countries have yet to reach a stage at which they could hold their own against Far Eastern imports in every economic and technological respect.

The main argument marshalled by European Community carmakers in coun-

Continued on page 9

■ THE ELECTRICAL INDUSTRY

Cash-flush Siemens in joint takeover move as big groups circle each other

The huge electrical and electronics firms of Europe are facing slower growth than America and Japan in the domestic appliances market and an increasing trend towards international contracts in the armaments business. Research and development costs are rising sharply and there are worries about what 1992 and the European internal market will bring. It is an industry that has been caught up in many takeovers and mergers and it sees the answer to the future in even bigger groups and even more rationalisation. The British groups, Plessey, GEC (General Electric Company) and STC, the French Thomson and GCE groups, the German Siemens and the American GE (General Electric) are involved in a complicated series of separate and joint manoeuvres to gain bits and pieces of both Plessey and GEC. Parts of the wrangle are being investigated by the British Monopolies Commission — including a five million mark GEC-Siemens bid for Plessey. GEC and Plessey themselves are locked in a battle in the British High Court over a plan by Plessey to take control of GPT, a joint venture between the two. Last year, Siemens got its hands on two big American prizes, Bendix, which makes electronic components for cars, and an IBM subsidiary, Rolm. The acquisitions cost between three and three and a half billion marks, which shows that Siemens is not short of cash. It is the fifth biggest electrical and electronics group in the world and the biggest in Europe, but it has laboured under an image of being ponderous and bureaucratic. Its moves last year in America and its joint bid with GEC for Plessey shows it is throwing off its cosy Bavarian mantle. Peter Ziller takes up the story for *Frankfurter Rundschau*.

Andreas Zimmermann, strategic planning director at Siemens, pointed to a map of the world that was astonishingly distorted. The the United States of America was startlingly enormous, the Japanese islands larger than the Asian mainland.

The ratio of Europe to the rest has also been exaggerated. Small West Germany lays a claim to the greatest land area. The graphic artist sees Britain and France shrunken.

Spain hangs like a small pouch to south-west France. The African continent and Australia are worse off: they do not take up much more room than the Iberian peninsular.

Andreas Zimmermann said of the map: "That is the world when the nations are seen in the light of their electro-technology and electronic turnover."

If DM100 is paid out worldwide for electronics, DM27 is spent in the USA and 25 marks in Japan.

Just 22 per cent would take up turnover in the 12 member-states of the European Community.

This trio of economic superpowers in the world make up three-quarters of the electronics market. Management consultants say that only multinationals have a chance to break into this market in the long term, multis who could throw out their nets with anything like sustained success in at least two of these three regions.

Zimmermann's map reveals strikingly Siemens' weaknesses. Siemens is weak or not represented where the catches are abundant.

The Munich company, employing 353,000, achieves three-quarters of its turnover of DM59.4bn in Europe. Only 10 per cent is recorded from customers in the US and until recently the Far East has been utterly hopeless.

What causes particular pain among Siemens management is that the electronics and electro-technology market will expand at the rate of 6.5 per cent until the year 2000, "purely and simply the market growth rate," according to Zimmermann.

Forecasters say that Japan will have a growth rate of 7.5 per cent, American 6.2 per cent, better than the real growth rate in Europe of "only" 5.8 per cent.

Therefore Siemens' slogan can only be "Go West;" only when the company has succeeded in broadening its base in the USA, will Siemens be able to set about tackling the Japanese bastion, which has already proved difficult due to the difference in mentality. En route Siemens must fill the gaps in its home-base Europe.

In Britain and France there are contracts totalling DM92bn and DM84bn respectively awarded annually. Siemens picks up about one billion marks of this business in each country. Zimmermann described this as "unsatisfactor."

In 1987 Siemens hoped for partial success in France. But the Paris government sent its German neighbours packing and handed over the telecommunications company CGCT, in the queue for privatisation, to Swedish co-applicant Ericsson.

Should the joint bid with GEC, on the table since mid-November, for Plessey (turnover DM4.2bn employing 30,000) succeed despite all opposition, Siemens would have the entré to the fiercely contested business offered by the British telecommunications organisation, Telecom.

Should this coup come off Siemens would overtake their French competitors in Europe, Alcatel, and once more be the number one in the telephone business on the Continent.

Two years ago the French swallowed the European telecommunications interests of the US giant ITT and as a consequence got hold of a third of the West German postal service's telecommunications contracts via Standard Electrik Lorenz (SEL) of Stuttgart.

Siemens went about the takeover of Plessey in a very tough manner, making a takeover bid for the first time against the will of its executive board.

Zimmermann's colleague, Jochen Mackenrodt justified the more aggressive course of action taken for this takeover

Frankfurter Rundschau

by saying that methods used until now would not result in an increase of the company's market share in Britain.

Uninfluenced by the takeover alliances directed against GEC and the stay of execution, Plessey obtained by referring the bid to the British Monopolies Commission, Siemens and GEC bought up 15 per cent more of the much sought-after Plessey shares undeterred.

According to Zimmermann a sense of optimism has been brought about by radical technological changes. The change from an electrical engineering company to an electronics organisation has had two effects:

- Expenditure for research and development has hit the ceiling.
- The life-span of products has been reduced considerably at the same time.

This means, for example, that the research costs ploughed into one generation of electronic components and plant investment must be much more efficient and faster than previously.

Only companies, which operate globally and have appropriate sales all over the world, can take part in thsi ring-a-ring o'roses.

Siemens men illustrate this with telephone equipment, as this is required by the German Bundespost for its public telephone exchanges.

Siemens boss Karlheinz Kaske recently estimated the development costs for the next system generation at $2bn. It has been suggested that Siemens put only a half of this sum into the EWSD system it is currently marketing.

According to Zimmermann of the dozen or so manufacturers operating at present worldwide there will be only five or six remaining at the turn of the century.

Top managements' fears are understood in Siemens itself. Rudolf Mooshammer, chairman of the joint workers council and also a member of the Siemens supervisory board, said: "There is no reason to despair that there will be only five survivors in communications technology."

Previously telephone exchanges of the sort Siemens manufactures were being built for over 20 years: now more efficient models are being offered for sale after five to ten years.

That is sufficient to cover development costs, but it presupposes the company has appropriate market shares, he said.

Mooshammer expects that only companies with at least 15 per cent market share can make a profit.

He does not see any alternatives to cooperation agreements and takeovers, even if the international group displeases because of its economic and political dominance.

He had in mind major groupings such as Daimler-Dornier-AEG-MBB, Asea-BBC or Alcatel-CGE-SEL.

Heinz Hawreliuk is also a member of the Siemens supervisory board and head of the department of contact people in IG Metall, the engineering workers trade union. He used similar arguments, saying: "The productive resources of the company leap over national markets."

This implies that sales in the domestic market have for a long time now only been sufficient to cover development costs.

An interesting statistic shows that if Siemens were to supply the Bundespost exclusively with communications computers, by world standards that would simply add up to a six per cent of the market.

For Hawreliuk the burning question is not whether one likes such an industrial giant, but how it can be controlled.

At that point things look rather grim. The trade unionists see the information policies of the executive management within the supervisory board as being fairly frank: but when it comes to power-sharing Siemens is very conservative.

A couple of years ago Kaske ordered an "end to the tranquility," as the weekly *Die Zeit* put it, now that Siemens is liquid to the tune of DM23bn.

At the beginning of 1985 he revealed publicly that the most used words in executive board meetings were now, "new ideas, work and effort."

Investment in the financial year 1984-1985 rose from DM2.4bn to DM4bn and in the following financial year to DM6bn.

Siemens coped with what Kaske proclaimed as the "Quantum leap;" only once before had more than DM2bn for additional plant or participation in other firms been available.

The Megabit project has been spoiled; over a five-year period it has swallowed up DM3bn in development costs. The company still has a lot of catching up to do to overtake the Japanese.

This year, however, Siemens will join the exclusive club of companies which have a 4-megabit semiconductor in series production (a chip which can store the information on 250 sheets of type-writing paper).

Despite enormous initial losses Kaske is proud of his endurance: increased production and system know-how were integrated into the structures of logic components.

He said that one cannot pour billions into the development costs for a new communications system and then go to a competitor and say: "make that up into a chip for me." He said: "I would instantly be making a present of my total know-how."

While technological gaps were filled to a greater or lesser degree by Siemens own resources (a cooperation agreement with the Toshiba group has been speeded up), Siemens' poor representation in the Single European market, where its main competitors are, was more difficult to deal with.

After a series of small acquisitions in 1985 a beating of drums announced that Siemens would be riding high on the American market.

In deutschemark terms DM5bn was offered for Allan-Bradley, manufacturers of automatisation technology. The offer was in vain. From then on Kaske's buyers really went to work. Their major triumphs were:

- In 1986 Siemens bought up the US telephone manufacturer GTE for $420m along with the companies communications technology business outside the US.
- Siemens acquired the former independent marketing organisation of private telephones (Tel Plus).
- The meagre sales of Siemens systems in North America inspired the company to acquire the IBM subsidiary Rolm for DM2bn. This company has an 18 per cent share of the US market.

Soon every fifth private exchange sold in the US will originate from Siemens factories. Siemens has moved into the first rank in the most important single market in the world, along with AT&T and Northern Telecom.

The acquisition of Norton in Britain indicates a similar strategy.

Mid-1988 Siemens moved into the coveted American Bendix Electronics. Today Siemens holds almost all the shares and with a turnover of almost DM1.5bn the company is number three in the world in the manufacture of electronics for cars.

Kaske tried to patch things up in this area in 1985. The bid for the West German manufacturers Pierburg faltered and

Continued on page 10

■ INDUSTRIAL MANAGEMENT

Russians look for capitalist hints for perestroika

Soviet managers and economists are attending a four-week course in industrial management at a training college run by West German industry — and criticising the shortcomings of the Soviet system.

"We are looking for the right economic system, one suitable for our purposes," says a Soviet academic. He adds, as what can only be called one of the wonders of glasnost and perestroika:

"We don't yet know what decision we are going to take, but we are clear on one point: our old model no longer works."

A little over three years ago this statement would have cost any Soviet official his job, especially if it had been made in public — and in the capitalist West.

Yet a party of 19 Soviet managers and economists are now studying at a training college run by the regional industrial association in Steinheim, Baden-Württemberg.

They are learning the basics of free-market economics and Western industrial management — and admitting the failings of their own system.

The Soviet academic here quoted is Yuri Mikhailov, vice-chancellor of a polytechnical college in Leningrad.

He does not beat about the bush in explaining why and what he and the Soviet party are in Baden-Württemberg, and at a stronghold of free-market economics, to learn.

"We set great hopes in this project, which is sure to be very much to the benefit of our economy," he says. This hope is surely shared by Baden-Württemberg Premier Lothar Späth, the man behind it.

In February 1988 he headed a trade delegation to the Soviet mechanical engineering ministry. One of its aims was to sound out possibilities of further intensifying cooperation between commercial and industrial enterprises in Baden-Württemberg and the Soviet Union.

Agreement was promptly reached on setting up a management and marketing centre in Leningrad — with German assistance.

West German-Soviet economic cooperation is nothing new, of course. In autumn 1988, during Chancellor Kohl's visit to Moscow, German businessmen and Soviet officials signed over two dozen cooperation agreements.

The German Economic Affairs Ministry tabled an investment promotion and protection agreement with the Soviet Union and said grant facilities would be made available for management training and further training.

"A training centre of this kind is new, however," says Volker Marko, business manager of the Steinheim college. "Besides, our project is based on a long-term concept."

The Leningrad training centre in the making will, he says, be the first of its kind in Europe.

"The inflexible economic planning of the past has restricted initiative, encouraged red tape and driven an increasingly wide gap between administrative authorities and production facilities," says Arkadi Karamyshev, deputy director of Energomash, a Leningrad water and gas turbine manufacturer.

"Domestic demand today is over twice as high as the capacity to meet it," he says, "and there are many engineering blueprints we simply cannot put into practice."

Free internal access to the Soviet market has been permitted since 1985, he explains. "That is why what we are taught here is so important. I am convinced we can put it to good use to manage our production facilities more efficiently."

What they are being taught is a comprehensive grounding in capitalist management, ranging from competitive planning, marketing, controlling and logistics to the basics of economics and business management.

"We must improve the qualifications of our senior management and marketing staff," Mr Mikhailov says. His hosts would be only too happy to see this happen.

About a dozen joint enterprises involving West German companies and Soviet enterprises already exist and a further 35 are still in the pipeline.

German exports to the Soviet Union have recovered from a trough and are likely to have totalled roughly DM10bn again last year. The trend is toward a further improvement.

In other words, business with the Soviet Union is better than it has been for years — even though German companies have yet to accustom themselves to changing conditions there.

In many places Mr Gorbachov has already replaced old officials, and their successors — appointed to put perestroika into practice — still have much to learn.

As long as they do so in the West, West German industry can have no cause to complain. Not for nothing are members of the Soviet party visiting 11 Baden-Württemberg companies during the course to see management theory in practice.

They are companies such as Daimler-Benz, Voith, Traub, WMF, MTU and Zahnradfabrik Friedrichshafen. Most of them have more or less firmly establish trade ties with Soviet enterprises and are conversant with the problems that occur in bilateral trade.

Baden-Württemberg is to contribute DM3m toward the costing of setting up the Leningrad training centre by 1992. It could well be a worthwhile investment.

A further party of Soviet managers is due to attend a four-week course in Steinheim. At the same time Soviet economists who will later teach at the Leningrad centre will undergo training in Baden-Württemberg.

After two more courses the centre is to open next autumn, with the assistance of German economists from Baden-Württemberg who will teach Soviet managers there until at least 1992.

They will teach them techniques which Soviet officials have gradually become acquainted with only since the introduction of perestroika.

They don't want to take them over lock, stock and barrel. "We know little or nothing about marketing, logistics and controlling," says a member of the Soviet party, "but they are important sectors from which we will adopt what seems to us to be most important for use in the Soviet economy."

Thomas Wüpper

(Stuttgarter Zeitung, 13 January 1989)

European cars

Continued from page 7

tries other than Germany is that European manufacturers ought to benefit first from the single internal market.

It would, they argue, be only fair for them to derive the initial advantage from the scrapping of frontier formalities and the harmonisation of standards, regulations and taxes.

Then, and only then, ought other manufacturers to be allowed free access to the European market.

This line of argument, which would require third countries to accept trade restrictions for a limited period, does not tally with experience in the United States.

In America quotas were imposed on Japanese car imports to protect US manufacturers, with the result that higher-quality cars tended to be exported to America by the Japanese in order to make more profitable use of the quotas imposed.

Over the past 10 years the consumer category aimed at by Japanese carmakers exporting to the United States has accordingly gradually changed — from first and second cars to the luxury bracket.

Honda is a case in point, now selling its de luxe models in the United States under the brand-name Acura — and selling the Americans more cars than Volvo, Daimler-Benz, BMW or Audi.

Another important point with regard to 1992, the European internal market deadline, is the self-restraint agreement between Japan and the United States.

The "self-restriction" of Japanese car exports to the United States to 2.3 million a year has led to Japanese carmakers setting up production facilities of their own in the United States.

By the end of this decade Japanese carmakers will be making more than 2.5 million cars a year outside Japan, including nearly 2.2 million in North America.

That led last year to surplus capacity on a large scale in America: overproduction that hit US manufacturers hardest.

Japanese manufacturers are trying to avoid surplus production of their own by exporting Japanese cars made in America — to Europe, for instance.

As their local content should in most cases be over 70 per cent by the early 1990s, the post-1992 European Community should find it hard to stop imports of American-made cars with Japanese brand names.

Besides, the United States and Japan might well join forces against the Community. Japanese carmakers could undermine import quotas, while their exports of cars made in America would help to reduce the US trade deficit.

A number of Japanese carmakers are already preparing for the single European market. The most ambitious move was the building of a Nissan car works in Britain; its assembly-line products are already challenging the French and Italians.

The British government has authorised exports of British-made "Bluebirds" to Europe because they comply with the Community requirement that they must be at least 60 per cent locally made.

France has introduced a local content rule of 80 per cent. By this definition the Bluebird is a Japanese car.

But, as US experience has shown, disputes over definitions of this kind within the European Community will be unable to stem the tide of cars imported from the Far East once the single European market is in being. American restrictions, far from aiding US carmakers, have ended up with Korean and, above all, Japanese carmakers as the main beneficiaries.

Hans-Christoph Noack

(Frankfurter Allgemeine Zeitung für Deutschland, 17 January 1989)

■ CULTURAL PROMOTION

Institute for foreign relations takes the message out to the world

Since 1925 the corner building opposite Stuttgart's Staatsgalerie has housed the former German Institute for Foreign Countries, now the Institute for Foreign Relations.

This building dates from 1705, when it was constructed as a barracks for the Duke of Württemberg's bodyguard. Later it was used as a state orphanage.

The Institute has a considerable tradition for dealing with cultural diplomacy, and is independent. Its task is to promote international cultural and information exchanges based on reciprocity.

It is supported by the central government, the state of Baden-Württemberg, the city of Stuttgart and a private association.

Its establishment during the First World War was a symbol, in difficult times, of an increased sense of identity with ethnic Germans abroad.

The idea was that they should remain linked to the homeland and so be able to safeguard their characteristics.

They should also form a bridge between their country of origin and the country where they were guests, ambassadors of good will.

The significance of cultural diplomacy was first recognised towards the end of the Kaiser's era. On 17 January 1917 the Institute and Museum for the Study of Ethnic Germans Abroad and for the Promotion of German Interests Abroad was founded in the Linden Museum in Stuttgart.

It was the predecessor of the German Institute for Foreign Countries and the Institute for Foreign Relations.

The idea of setting up a museum for "Germanness abroad" was conceived in the Württemberg Association for Mercantile Geography and at the Ethnological Museum.

The intention was to document and display the history of settlements of German emigrants, the development of their cultural history and their contribution to the prosperity of other countries.

This project could only be realised in the 1930s and was of short duration. The museum's collection was buried under the débris of the Wilhelms-Palais in July 1944.

Since its foundation it has been non-political and was spared from Nazi interference, so it could continue its work after 1945.

During the 1920s and 1930s the Institute in Stuttgart was very active. In a year as many as 120 lectures introduced audiences to foreign peoples, with the customs of those foreign countries which soon became a second home to emigrants.

Today firms particularly make use of the availability of the Institute's courses for their employees who are to take up a post abroad. The courses last several days and prepare participants for their new lives in different conditions.

The Institute for Foreign Relations works with a series of newly-created bodies such as Inter Nationes and with the Goethe Institute, which was reopened in 1952.

The Institute maintains the literary heritage of ethnic Germans. There are almost 100 German-language newspapers in various parts of the world which report on the activities of people of German descent.

They are displayed in the Institute's



library and are a first-class source of information.

They are newspapers such as the *Allgemeine Zeitung* from Windhoek in Namibia, *Aufbau* in New York, the newspaper of the ethnic Germans in Hungary, *Neue Zeitung*, or the *Karpaten-Rundschau*, which gives the ethnic-German point of view of Romanian President Ceausecu's resettlement programme.

All these and many others provide important details and the latest developments about the life of ethnic Germans.

The German press abroad in fact makes up only a small part of the Institute's specialised library.

This library, one of the most extensive of its kind in Europe, collects publications dealing with information about foreign countries, cultural exchange, aid for development and education, migration questions and the problems of minorities.

There are more than 320,000 volumes of specialised literature in the library, supplemented by 5,600 microfilms and 4,500 international specialist magazines extending from *Adult Education and Development*, published by the German Adult Education Association, to the quarterly *Zeitschrift für Kulturaustausch*.

The Institute also concerns itself with the publishing opportunities for foreign writers.

It prepares conference reports and statistics, indexes of addresses and gathers together titles of publications for specialists.

Material is produced for Goethe Institute training courses, and anyone who wants to illustrate a lecture on a trip to China or a holiday trip to Mexico can borrow colour slides from the Institute's photographic library.

The Institute for Foreign Relations is supplied with information from all parts of the world and it compiles and distributes a programme about Germany to the four corners of the earth.

The Institute endeavours to interest art galleries and museums to put on exhibitions from overseas and prepares exhibitions and catalogues for the Federal Republic dealing with the fine arts, music, science and technology.

Various themes have been dealt with in exhibitions: "Spitzensport" in 1981, or an exhibition on German woodcuts of the 20th century staged in 1983-1984, or an exhibition devoted to a single artist, the Max Klinger exhibition of 1976-1977.

Exhibitions dealing with a specific period have been organised such as the *Grafik der siebziger Jahre* of 1982-1984, or an exhibition dealing with a whole movement in art such as the *Realistische Zeichnungen* mounted in 1983.

Projects are put in the hands of specialists whose knowledge and expertise is used in preparing the catalogue for the exhibition and in purchasing art works.

The Institute purchases sculpture, paintings, drawings, series of photographs and videos, collections of art without a home, world-travellers in the service of the state.

There are at present 25 exhibitions of original works on tour. They provide information about the Federal Republic as a cultural nation and as a modern, industrialised state.

The touring exhibitions reach back to glass painting from the Middle Ages and extend to the painting of the "Wild Ones" of the 1960s.

Overviews of this kind are mainly aimed at educating and inevitably make do with reproductions rather than original works of art.

Without exception the original works of art held by the Institute come from the body of 20th century art, particularly the past few decades up until the present.

These include about 100 drawings each from the 1950s, 1960s and 1970s, a unique selection of cartoon films, a large-scale display of contemporary sculptures, art works and drawings under the title *Dreidimensional*.

They are supplemented by film portraits by Rückriem, Piene, Hajek and Vostell.

The realistic drawings by Göttlicher, Grützke, Knipp, Petrick, Sartorius, Peter Sorge, Klaus Vogelsang and Ben Willikens speak for themselves in the courageous selection by Lucius Grisebach.

This selection makes it clear that the touring exhibitions do not have to be centred solely on practical — geographic and temporal — points of view.

The stops the exhibitions make have to be selected with consideration to ethical values, social structures and current intellectual trends.

Unerring gauge of the popularity of an artist or of an artistic epoch is the demand from interested organisations abroad. The Goethe Institute is one of these.

No-one is surprised if German expressionism, the German art form per se, has become an "export hit." The *Kritische Grafik in der Weimarer Zeit* exhibition, organised by Eberhard Roters and Wieland Schmied, has also been a success.

It is booked out until 1997 and has been particularly successful in Latin America.

There the powerful expression and the sharp social analysis of a Dix, Grosz, Hubbuch or Georg Scholz have had more impact than the big three of German impressionism, Liebermann, Slevogt or Corinth, or the trouble-maker Max Klinger.

Irreplaceable individual works, invaluable pictures by artists long dead are not put into the exhibitions touring different countries. In this context the new media are all the more welcome.

Handy videos by Beuys, Rebecca Horn, Michael Klier or Reiner Ruthenbeck offer art from a tin can, as it were.

There are some small sculptures by Käthe Kollwitz on tour and collages by Hannah Höch. The resilience of the materials used in the work is an important consideration in the selection of works for an exhibition.

Fundamentally decisions are made in favour of the more recent and critical artists. The salon art of the turn of the century is of no interest, nor, oddly enough, art nouveau.

Out of a whole successful series of catalogues one or two can be singled out for mention: the handbook on 150 years of German design, a survey of commercial photography or Gunther Thiem's excursion into the new territory of German woodcuts of the 20th century, a work of value even for specialists.

The 1983 documentary exhibition *Deutschlandbilder* began a series dealing with the country and the people, customs at family celebrations such as the exhibition "Yoga, Jeans and Souvenirs," daily life in Buxtehude or the legends and realities of Old Father Rhine.

Apart from providing factual information and subdued representations there is an enthusiasm to missionise: for example the 60 black-and-white photographs with captions in the "Grüne Patriarchen" exhibition (about trees) with four accompanying films and a catalogue in German and English. This exhibition is at present in Patras, Greece.

Visitors can watch the "budding of the common beech, Fagus silvatica," get to know something of the secrets of the German oak and learn something of the horrors of the death of the forest. Some Greeks just smile at the one, others shake their heads at the other.

The Greek visitor, however, will be able to recall the message of the bare conifers at an international congress on environmental protection, or at the next company conference about the purchase of improved filter equipment, or just at his garage.

Mar·na Wehlte-Höschele

(Frankfurter Allgemeine Zeitung für Deutschland, 14 January 1989)

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the company went to Bosch. A few weeks ago Siemens snapped up IN2 in France, a company which producers small to medium-sized office computers. The company has an annual turnover of DM300m.

Without Rolm Siemens has 27,000 employees in the US and has an annual turnover of DM5.5bn. This is almost ten per cent of the company's total turnover. But Siemens has not reached its goal; the company intends to press ahead.

The businesses purchased will make enormous losses at the beginning — at the end of the financial period 1986-1987 there was a loss in the accounts of DM450m.

But the company does not intend to cease shopping around. Hans Decker, president of the Siemens Corporation in New York, recently confirmed: "We are interested in everything that is linked to Siemens' activities."

Management has coolly taken into consideration what is involved with the hectic acquisition of companies in a different management "culture" and with a differing technological basis.

Zimmermann said: "We have gained time but taken risks." Workers' representatives see the dangers differently.

Mooshammer said: "Foreign markets cannot be conquered without local production." Hawreluik wants to know where development and production will be done.

Asked what would be the position of Siemens employees in five years' time, workers councils and managers have been given replies loaded with significance.

Moorshammer believes the position will stagnate, that is the work force will remain at 223,000 in Germany. Zimmermann: "We shall have just about the same number of workers — in Europe."

Peter Ziller

(Frankfurter Rundschau, 14 January 1989)

■ MUSIC

A Bavarian town maintains old tradition for making high quality violins

The first stringed instruments recognisable as the modern violin appeared in the 16th century. The first craftsmen of note to make the viola da bracció (arm fiddle) were Gasparo da Salo (who lived from about 1542 until 1609) and Giovanni Paolo Maggini (about 1580-1632) both in Brescia, in northern Italy. To make good violins, seasoned timber (spruce and maple) and warm and dry weather are needed. The violin-making tradition in the Bavarian centre of Mittenwald, near the border with Austria, goes back to Matthias Klotz (1653-1743), who was born there. He went to Cremona, in Italy, then the world centre for the trade, and returned and set up in Mittenwald. The tradition has carried on to the present day. Karl Stankiewitz looks at the violin town and the man regarded as its leading contemporary maker, Josef Kantuscher. The story appeared in *Mannheimer Morgen*.

Seven music professors, from France, Britain, Russia, Bulgaria and the Federal Republic, will be meeting in Mittenwald in Bavaria at the beginning of March to pass judgment on the best stringed instruments in the world.

In what is a unique international competition for violins, violas, cellos and bows, the instruments will be played "anonymously," the performers will not know who made them.

The sound of the instruments will not be the only criteria the judges will consider; they will look closely at the quality of the craftsmanship that has gone into the making of them. Every one must be made by hand, untouched by machine.

Hans Neuner, mayor of Mittenwald, said: "Musicians, violin-makers and everyone else interested in this competition will discover that modern instruments stand up well when compared with the instruments made by the old masters."

For Mittenwald the competition is a means of exploiting a 300-year-old tradition, which made the town world famous.

A Mittenwald tailor sent his 10-year-old son Matthias Klotz to Italy in 1663, where violin-making had reached its apogee.

Matthias was soon the best pupil of Master Amati in Cremona. The boy's fellow-pupils included Piero Guarneri and Antonio Stradivari, who is today considered the most brilliant violin-maker of all time.

Mittenwald's chronicles record that the Bavarian lad aroused the jealousy of the Italians. They attacked him. Matthias defended himself with spirit, but he had to leave and served in the French army as a mercenary.

He returned home in 1683, rich in experience and with the best models and designs for violins, cellos and other stringed instruments in his bag. Soon he had collected together his own group of pupils.

He had returned at just the right time. The Bolzano Market used to be located in Mittenwald, situated on the 200-year-old trade route between Augsburg and Venice. About this time it was transferred back to Bolzano. Mittenwald, which had grown to be an important commercial centre, was threatened with decline.

The little town of Mittenwald sits at the foot of the Kardenwel Massif. It had a considerable advantage over the centres of musical instrument-making in Italy, which Mittenwald took as models for its own development.

In the forests around the town grew, and still grow, the best maple trees, whose timber produced a marvellous resonance.

Jakob Stainer, who came from Absam in the Tyrol and who later became a famous violin-maker, had already made use of this timber.

He selected for his violin-making those trees "whose sound was particularly inviting."

The newly-trained violin-makers carried their instruments in hampers strapped to their backs when they returned to "adjoining Bavaria," to the Tyrol, Switzerland and even to the fairs at Frankfurt and Leipzig.

But most took their instruments to the monastery at Pfaffenwinkel, where rococo music flourished. The monastery gladly purchased them.

Goethe, who passed through Mittenwald on his Italian journey, admired more the moutain scenery than the town's handicrafts. But the wealthy Fugger banking family, resident in Augsburg, enriched their collection of musical instruments with the products from Mittenwald.

Several Mittenwald violin-makers settled in Munich, Vienna, Berlin and even North America. The Neuer brothers went with their violins to Russia.

Everywhere itinerant artists and musicians were welcomed, even if they were only rewarded with a few ducats to take home.

The instruments were at first sold by travelling peddlers, but Mittenwald stringed instruments soon began to appear on world markets and were marketed perhaps better than any other German artefact.

At the end of the 18th century merchants emerged who specialised in selling violins. Andreas Baader, for instance, opened up huge markets for Mittenwald instruments in North and South America.

Thousands and thousands of violins, cellos, double-basses and guitars were





exported from Bavaria all over the world. (Incidentally Baader discovered many profitable iron ore and coal deposits.)

Mittenwald lumbermen stored the timber from the Graswang valley, where later King Ludwig II built his fairy-tale Linden Castle, for 40 to 50 years in enormous warehouses before it was ready for use. At that time there was a violin-maker in every second Mittenwald home.

But artists and craftsmen have always been paid miserably. Yet the Klotz family of violin-makers did not die out and family members still live in the town.

In spring the apprentices would leave their work-benches and go into the forests to do other work, fell trees for violin-making.

To keep apprentices in the craft a school for violin-making was established in 1858, with an itinerant professor to teach the apprentices. It was financed by the Bavarian royal house.

The school is today the only one of its kind in the Federal Republic. The training course lasts for three and a half years. Pupils are trained in the art of making all kinds of stringed instruments.

In 1890 the people of Mittenwald set up a splendid monument to Matthias Klotz before the parish church. But by the end of the last century tough competition had appeared. Cheap, mass-produced violins were being manufactured in Egerland using machines.

The people of Mittenwald who would have liked to remain craftsmen, turned to tourism or joined the army.

At the beginning of the Second World War, a young boy of 15, son of a surveyor in Celje in Slovenia, who had made a couple of lutes at the music school, heard of the craftsmen in Karwendel.

He went there in 1941 and after two years of apprenticeship he passed the examinations to become a violin-maker. He was immediately drafted into the Army and gained German citizenship "until withdrawn."

His name was Josef Kantuscher. He is now regarded as the premier violin-maker in Mittenwald, where he is director of the museum of local history and violin-making.

He has become famous and any expert can now recognise a "Kantuscher." One of his cellos costs DM25,000, a violin on average about DM15,000.

But by contrast a Stradivari was recently auctioned for DM1.5 million, an *increase of DM500,000 over five years.*

There are few genuine instruments made by the old master himself, but many by pupils from his workshop and even more forgeries.

In 1955 Josef Kantuscher became self-employed. Since then he has made 560 violins, stamped with his signature and registered in his files.

His instruments are played by violinists from Sidney to Leningrad to New York.

Some years ago a "competition" was organised in the Mittenwald parish church. Violinists played on various intruments, some of them historic violins from Italy.

Kantuscher's violins, played without the muscian knowing the make of the instrument, were always regarded as the finest sounding instruments.

There are now only five instrument-makers registered in Mittenwald. Kantuscher, who was 65 on 24 December, is the only person in his craft who is recognised as an independent artist by the tax authorities.

He employs one apprentice, or at the most two. He has trained Americans, Israelis and a Japanese who has now opened a school of violin-making in Tokyo. He sends pupils to Kantuscher now for additional training.

Some Chinese craftsmen have also been to Mittenwald. The Chinese now compete. A violin from China with cheap steel strings is available for DM2,000.

Generally quality differences are unimportant, for 95 per cent of stringed instruments sold today are mass-produced.

Karl Roy, director of the school of violin-making and organiser of the March competition, maintained that 99 per cent of instruments that bore tha Mittenwald mark did not originate from the town.

Like Klotz and Stainer 300 years before them Kantuscher and his colleagues want to make Mittenwald once more the Mecca of violin-making.

The modern-day master tradesman . . . Josef Kantuscher.

(Photo: Thomas Stankiewitz)

They look for their wood in the forests around the town, they look for the "voices" of the trees. The timber they select is felled, sawn up and stored away for at least 15 years.

The belly of the instrument is made of spruce, maple for for the under surface and all the other parts.

To make one of his violins Kantuscher needs 450 working hours spread over three months. He always has two or three instruments under construction in his small cellar workshop. One is completed every month.

Each violin has its own "personality," despite the same design, despite very precise measurements. Kantuscher said: "Even if the wood is from the same tree the violins made from that wood are different."

One of his instruments only sounds superbly after about a year, when the climate has changed twice. He said the violin's sonority depends on tension and vibrations. It takes a long time for the molecules to fall into order in the wood, he explained.

The strings are still made from catgut They are spun out with silk. The strings of the bow are made with horse-hair, but only from stallions, preferably Arabians.

He does not make his own preparations; he said there were specialists for that. All the violins he makes are commissioned. At present there is a waiting-period of two and a half years.

Josef Kantuscher does not have a lot of free time. His work as an instrument-maker and head of a museum keeps him busy.

When asked what his hobby was the answer was astonishing: on national holidays and Sundays he did not want to play cards — he preferred to play the violin. And he likes to play best of all with his two daughters who are studying music and his brother who is a composer living in Paris.

Josef Kantuscher's son is also a violin-maker, "but he has got caught up with the city."

Kantuscher said that he would continue to make violin as long as he could.

Karl Stankiewitz

(Mannheimer Morgen, 5 January 1989)

■ THE ENVIRONMENT

Drilling for rot: new method of testing for tree damage

General-Anzeiger

A Heidelberg physicist has developed a new, almost harmless and amazingly simple method of testing trees for forest damage.

Damaged trees by the roadside or in public parks can be dangerous. Strong winds can bowl them over, killing or injuring people, damaging parked cars and jamming traffic.

Increasingly extensive forest damage has led to a rapid increase in the number of sicklisted trees They are usually felled when suspected of no longer being sound.

Should this diagnosis be mistaken the tree is still doomed. Analysis techniques so far available have meant either felling the tree or drilling holes so large that it is seriously damaged as a result.

Frank Rinn developed his technique working for a diploma at Heidelberg University environmental physics department.

It formed part of a joint project with the department of dendrochronology at the Botanical Institute of Hohenheim University, Stuttgart.

He perfected a technique of analysing tree damage originally devised by Bad Oeynhausen engineers Willibald Kamm and Siegfried Voss. Working on telegraph poles into which holes were drilled to make impregnating agents sink in better, they noted that the needles used penetrated easily at some points and harder at other points on the same pole.

They inferred that needles must drill particularly easily into wood the structure of which was damaged by rot, insects or suchlike.

The two engineers developed in 1985 a drill to analyse rotten wood.

Rinn has improved the device and the procedure and added a computer programme to evaluate the readings.

Above all, he has shown that this method, which was initially used only to roughly localise rot due to tree damage, can also be used to measure the width of annual rings and fluctuations in wood density within a growth year.

This had previously only been possible under a microscope or by means of X-ray analysis.

Rinn's method of measuring tree ring paramaters is based on holes drilled with a special drill.

It sends a 1.3-millimetre needle into the wood at a constant rate or thrust.

The power required varies, depending on how hard the wood is, and this variation is measured electronically.

The power consumption graph indicates wood density, ranging from hard late wood to soft early wood, and thus demonstrating typical annual ring structure to within 0.05mm. Annual ring analysis is particularly important in dendrochronology and climatology, or working out the age of wood by means of its annual ring structure and analysing the links between wood growth and climate influences. Inferences can be drawn from the proportion of early and late wood and the width of annual rings in general as to growth factors such as temperature and rainfall in a given year. Frank Rinn now plans to use this technique to test the influence of toxin emission on tree growth, which would be of considerable importance for environmental research.

Biting into the bark: scientist Frank Rinn in action. (Photo: dpa)

Discs of tree trunk or samples drilled in much the same way as a cheese is ironed are needed for microscopic analysis of annual ring structures or X-ray analysis of wood density.

Trees must be either felled or at least seriously damaged to come by these samples.

Measurements of resistance to drill wreak no destruction because the needle merely pushes the wood to one side.

Wood is flexible and the hole is closed once the needle has been extracted.

The drill is used with a small computer to evaluate readings in the field. It can be operated by a single person.

That makes it much less expensive than X-ray density analysis or other procedures currently available, such as ultrasonic testing, computer tomography or conductivity measurements.

Rinn is now working with Willibald Kamm to test trees in public parks for local authorities in various parts of the country.

He says other uses for the device are feasible. It could, for instance, be used to analyse the load capacity of wooden structural components in old houses.

It is, he says, the first technique available for measuring wood density in deciduous trees, which have so far defied even X-ray analysis.

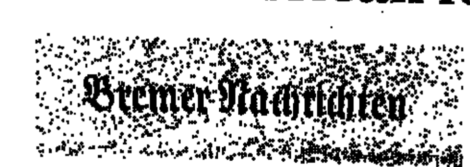
He claims not to have made a single mistaken diagnosis yet in analysing how sound trees are in this way.

Trees felled as a result of his analyses have so far all been found to be damaged.

Hans-Martin Schubert/dpa

(General-Anzeiger, Bonn, 14 January 1989)

Biological pesticide to be tried on African locust plagues



Pests "hooked" on certain toxins may, says a Freiburg forestry zoologist, be controlled by a binary pesticide consisting of their favourite narcotic and a poison causing certain death.

Since the toxic substance that attracts them repels other fauna, this binary pesticide is both effective and environment-friendly.

Professor Michael Boppré says a number of butterflies, flies, bugs and other insects are "pharmacophagous," or drug-eaters.

He plans to use the killer combination he has devised to eliminate zonocerus, a locust that poses serious problems for farmers in West Africa.

This gaily-coloured pest may not be a member of the Biblical locust family but it is so voracious that it too has a devastating effect on harvests.

The zonocerus locust, he says, has an insatiable appetite for pyrrolizidin alkaloids, or PA for short.

They are substances with a nutritional value of nil produced by asperifoliate flora and common groundsel to protect themselves from being eaten.

Professor Boppré plans to test his biological pesticide in Africa provided funds are available.

The discovery of this specific voracious appetite of the West African locust is a classic instance of basic research proving extremely useful in practice.

Professor Boppré was initially interested in harmless butterflies, not in the devastating grasshopper.

He used the tropical monarch butterfly to test the functions of aromatic agents produced by the male butterfly.

His findings were both suggestive and exciting. The scent is caused by pyrrolizidin alkaloids the butterfly extracts from dried plants. It has no need of

Continued on page 13

■ CHILDREN'S HEALTH

Nursing bottle syndrome blamed for serious damage to teeth and gums

Professor Willi-Eckhard Wetzel teaches children's dentistry at Giessen University. His 1981 articles on sweetened instant tea causing caries in babies' teeth made headline news. In this article he deals with addictive drinking from babies' bottles by children aged one to five and the dental damage it causes.

Many people will remember the outcry that swept the German-language media in 1981 when an article of mine in a specialist journal showed a link to exist between caries in milk teeth and excessive consumption of sweetened instant teas from babies' bottles by children aged between one and five.

From about 1979 a growing number of infants were brought to our hospital with teeth seriously caries-damaged.

We soon noticed two points. One was that caries mainly began in the upper milk incisors, the other that nearly all children with this condition were accustomed to drinking from plastic babies' bottles for longer than is usual.

These conclusions were readily reached. Some patients, aged three to five, still drank from babies' bottles without the least embarrassment in the surgery. Others even came in for treatment with a bottle in the corner of their mouth.

Some insisted on keeping their bottles in their hand during treatment and in taking a swig from it during breaks.

We naturally wondered what tasted so good that children who were no longer babies drank it like babies in previously inconceivable quantities.

The answer was soon clear. It was newly marketed instant tea, consisting of roughly 95 per cent sugar in its granulated form.

Manufacturers differed in their ingredients merely in the ratio of saccharose to glucose. The "tea extract" was no more than three to five per cent of the dry matter.

Depending on the recommended dosoage parents dissolved the "tea" in tap water, feeding children a solution of between four and 10 per cent sugar.

What struck as incredible was the way in which manufacturers blandly recommended giving children "tea solution" between meals during the daytime and as a "good night" drink before they went to sleep.

As dentists there was no way in which we could accept such recommendations as responsible advice.

It was as clear in 1981 as it is now that various kinds of sugar, especially saccharose and glucose, particularly tend to cause caries when consumed for long periods between meals or before going to sleep.

This came as a shock to the public. What then happened was that these "teas" were either withdrawn from the market, their sugar content reduced, sold with a caries warning printed on the packet or replaced by sugar-free alternatives.

Some manufacturers withdrew the convenient bottles from the market, there being no doubt that these bottles tempted parents to give children too much "instant tea" to drink.

The upper milk incisors were particularly endangered because children sucked away at their bottles with cheeks pulled in, mouths open and tongues pressed against the lower teeth.

That ruled out the otherwise normal neutralising and cleansing effect of saliva, which continued to protect teeth in the lower gums, for instance.

The harmful effect was intensified when the bottle was used when children awoke at night or when they were going to sleep.

Salivation then no longer occurred in the oral cavity either, which greatly encouraged plaque and, in the final analysis, caries.

The reader may wonder why the word "tea" is here used in quotation marks. It is not just a question of a snide insinuation; there really is a distinction that can only be made in this way.

Instant teas then and now are almost exclusively products marketed in keeping with food legislation, as opposed to the stricter pharmaceutical or pharmacological canon.

The designation "tea" is a pharmacological and medical seal of quality that was thus debased and downgraded to sell flavoured sugar as a drink.

To this day German courts are dealing with product liability damages suits.

Those who followed the debate and trends in connection with so-called "sweetened tea" in the Federal Republic of Germany can be excused for having imagined that from about 1983 the problem of caries in milk teeth and upper milk incisors would decline in importance.

Sales of instant teas plummeted and the handy new plastic babies' bottles were withdrawn from the market.

At the children's dental clinic in Giessen we did indeed register a roughly 70-per-cent decline in the number of such referrals. But the number then slowly increased, gaining more rapid momentum from 1987.

The reason was that the handy plastic bottles came back on the market and have steadily gained in popularity.

Yet a number of changes have occurred in comparison with 1981. Instead of instant teas more and more parents are giving their (no longer infant) children alternative sweet or acid drinks such as milk flavoured with instant cocoa powder, fruit juice, lemonade or merely milk — but day by day and night by day and by the bottle.

Guzzlers addicted to the "bottle" in this way not infrequently drink up to three litres of liquid a day.

Two Swiss specialists, Professor Marthaler (preventive medicine) and Professor Tönz (paediatrics), have this to say:

"From the medical viewpoint this addictive drinking is one of the most lamentable setbacks in the otherwise so successful history of baby and infant food.

"The bad habit of giving children babies' bottles to drink out of leads not only to more or less serious, and even appalling, caries; the habit of constantly drinking is a physiological liquid burden..."

So our Swiss neighbours have a word for it, one that hits the nail on the head. But what about us? We are well on the way to a trendy new bad habit.

Unlike 1981, when "sweetened tea" caries was a topic appreciated by all social sectors, today's "progressive," university-educated parents are the self-destructive vanguard.

One might almost say that children with babies' bottles are a "hallmark of alternative progress."

Surprisingly, most parents first vehemently try to defend their children's addiction to the bottle with pseudo-psychological arguments despite the most serious caries damage.

The most frequent argument advanced is that drinking from the bottle is in keeping with the instinctive need felt by young children to suckle.

Infinite patience is needed to show them that this need, as evidenced by thumb-sucking or resort to rubber teats shaped to suit the gums, has nothing whatever to do with excessive drinking from babies' bottles.

The one is pleasurable, the other is a mode of food intake that is no longer appropriate to children of their age.

The counter-arguments then heard at times sound almost grotesque. "But I fill the bottle with nothing but home-made pure apple juice," parents say, or: "The child drinks nothing but tea we brew ourselves, sweetened with a little honey."

Parents who refuse to accept reason have even been known to leave our surgery saying: "You're a dentist, not a psychologist. You can't tell me, a teacher by profession, what is good or bad for my child!"

Sooner or later the chicken comes home to roost. As children keep up the bad habit their teeth go from bad to worse, they suffer from serious pain, inflammation and suppuration of the gums and poor general health.

They increasingly suffer from complaints of the respiratory tract and bladder, inflammation of the inner ear, bouts of fever and general lassitude.

One might argue at this point that parents in this category must, along with their bottle-addicted children, suffer for their refusal to learn their lesson.

This ethical approach is fundamentally dubious. Besides, the bad example set by parents who are so convinced they are right is increasingly followed in less privileged families.

The nursing bottle syndrome, as it is now internationally known, is accompanied by the most serious damage to teeth and gums.

It is followed by speech and chewing deformities, aesthetic deformation, loss of place in the gums for the remaining

Frankfurter Rundschau

teeth, bacterial damage to the remaining teeth and so on.

Scientifically, then, the problem is known to exist and for what it is. Even manufacturers of plastic nursing bottles are coming to feel uneasy about their "unholy alliance" with bottle fetishists.

Since 1986 a leading German manufacturer, Milupa, has included with the bottles it sells the advice:

"Please don't give your child this bottle as a permanent pacifier. Frequent or constant contact of liquid with the teeth can cause caries.

"As a general rule give children nothing sweet to eat or drink after their teeth have been brushed in the evening."

What this advice fails to mention is: "Children over 12 months ought as a rule no longer to use bottles."

Warnings on this point have been sounded by doctors as well as dentists. A paediatrician, Dr Böcker, writes in a specialist journal:

"For years I have noticed that tea bottles are frequently replacing comforters among both outpatients and hospital patients, regardless of their parents' social status.

"It is used to pacify and distract, to help children to go to sleep, to counteract fear and anxiety and simply to keep children busy.

"Habits are formed that can later be resumed with disastrous effect in conflict situations. Take, for instance, the debate on eating as a pleasure substitute among overweight children.

"One can just as easily imagine nursing bottle children later being more readily susceptible to drug or alcohol abuse."

So does an addiction to sweet drinks from a baby's bottle lead to a later addiction to the bottle in the conventional adult sense of the term?

One forecast can confidently be made. There will be no identifiable difference between alcoholics who have grown addicted to the bottle from drinking sweetened teas and those who have been addicted to nursing bottles of lemonade, fruit juice or instant cocoa (all sweetened).

Willi-Eckhard Wetzel

(Frankfurter Rundschau, 14 January 1989)

Continued from page 12

these alkaloids as a nutrient. They have no nutritional value. It uses them as an intoxicant; they have the useful side-effect of keeping enemies at bay.

The male butterfly also needs the scent to be accepted by the female. During mating it transmits a little of this substance to the female, protecting her too.

Butterflies that lack this scent stand a poorer chance of survival and none whatever of mating, Professor Boppré says.

Trials demonstrated not only that the monarch butterfly needs its PA "fix" — so do flies, bugs and, totally unexpectedly, zonocerus.

Even more surprisingly, he came across another phenomenon he describes as a "hitherto unprecedented development physiological phenomenon."

He fed South-East Asian tiger moth caterpillars on a diet of PA. They then developed an olfactory organ out of all proportion to their bodies: gigantic hairy tubes. They are, he says, absolutely unique.

Professor Boppré, who describes himself as a convinced basic research scientist, is convinced that man depends for his survival on fully understanding biological mechanisms.

He will then, for instance, be able to keep pharmacophagous pests, of which there may well be other varieties than this one locust, under control in tune with nature and the environment.

Both development physiologists and ecologists are most impressed by his tiger moth experiments, the first case in which a single substance has been found to govern specific organic growth.

dpa

(Bremer Nachrichten, 14 January 1989)

■ RESIDENTIAL ACCOMMODATION

The other side of the Mainhattan coin: a city too expensive to live in

A corner house in Sachsenhausen, Frankfurt, built at the turn of the century and listed as of historical interest, was sold nine months ago.

Since then the tenants have needed a good lawyer to continue living in their apartments there. Some have been in occupancy for more than 30 years.

The first thing the new owner did was to increase rents the 30 per cent permitted by law. Then came an offer of compensation to move out along with estimates for rents after renovation.

Double glazing, central heating, bathrooms and improved electrical wiring were said to justify a rent increase of a further 80 per cent.

The tenants on the second floor, a woman who lives alone with her two adult children, challenged the proposed modernisation because she could not afford to pay the rent after the work had been done and there was no other inexpensive accommodation in the district.

A citizens' initiative group has been formed in Sachsenhausen because the old building in the district is not a unique case. Out of good neighbourliness the group intends to assist in the main helpless, elderly people.

When an elderly couple went a week without heating — the landlord dismantled the oil stove and was having central heating installed — the neighbours stepped in with an electric fire.

The group demanded to know from Frankfurt's mayor, Wolfram Brück, whether the apparent development of the district was in line with the political intentions of the majority party in the city council.

In an open letter the group asked: "Do you intend to maintain the livelihoods and the possibilities to make a home for elderly and foreign citizens, families with children, students and householders who have average and limited incomes?

"If you do, what is being done in view of the fact that more and more wealthy people are moving into the district who are prepared and able to pay almost anything for rent and any price when buying an apartment?"

The pressure on all the old Frankfurt residential districts is a consequence of the economic boom in services industries, the price Frankfurt has had to pay for the city's elevation to a financial centre of international standing.

In banking alone more than 3,000 jobs are created annually. The new, well-paid, middle-class people, mainly un-marrieds or double-income no-kids couples, are looking for attractive city apartments close to their work, to the theatres, cinemas, museums, restaurants and pubs.

Modernised old apartments with double-doors, parquet floors and stucco ceilings are more fashionable than a property in the Taunus.

According to location high-standard apartments are being offered at rents of between 15 and 25 deutschemarks per square metre.

Real estate agents and investors do good business where there is demand. They prefer to buy old buildings, modernise the apartments for lease at high rents or for resale.

They have to do that because the prices at which they were buying apartment blocks have exploded lately.

If they want to make their investments worthwhile the prospective net income

DEUTSCHES ALLGEMEINES SONNTAGSBLATT

must be adjusted to the price paid for the property.

Old tenants are in the way, paying rents at levels prevailing in the 1960s and 1970s. Investors would make a loss. Besides, mortgage deadlines must be met.

The gentle way of getting rid of sitting tenants is to offer them between DM10,000 and DM20,000 to leave, but increasing rents after renovations is more effective.

If that does not work then some black sheep among the speculators brick up the chimneys for the oil stoves in winter, take off the roof or transform the apartments into a building site for months on end.

Describing Frankfurt in the year 2000 the Basle city planner Hartmut E. Arras has warned the municipal authorities about their acceptance of housing market trends.

If city planning is geared totally to commerce and industry, if there is a concentration on building more and more skyscrapers for offices, then "not only will people in lower income groups not be able to afford to live in the city but so, to a worrying extent, will the middle classes."

He said that the municipal authorities will be accused of having acted knowingly against the interests of old residents in order to get living space for high-income groups. People with low to medium incomes will have to accept going further and further away from their place of work.

The question of living accommodation has become a burning topic in the run-up to the local elections, scheduled to take place on 12 March this year.

The ruling CDU municipal authorities are campaigning with a programme of 400 financially-supported new apartments. The first should be ready for occupation early in the coming year.

Thousands have put in applications for the apartments, further evidence of the despairing search for accommodation by many families.

The SPD and the Greens maintain that the authorities have been too slow. They promise to make swift decisions about little-used industrial real estate, particularly the large area in the port area on the River Main, for building homes. They would also act more decisively against abuses.

But the room for manoeuvre among local politicians is limited. The city is in debt and there is no money from the state of Hesse or central government for home building.

In one point all parties agree. Mayor Brück says along with his SPD opponent Volker Hauff that private investors, who pour billions into Frankfurt for new, palatial offices should be obliged to invest in housing.

Because until now only empty expressions of intent have been made, Hauff would like to make planning permission for offices be dependent on a commitment to build housing.

The displeasure of long-time Frankfurt residents about the ineffective housing policies of the ruling CDU has improved the electoral chances of the SPD opposition.

But Volker Hauff knows only too well that he must find successful remedies if he does not want to disappoint expectations swiftly.

The new housing shortage is not only a social problem; it threatens to unbalance the city's economic development. Company personnel departments are worried about the complaints their employees make about their vain searches for accommodation.

City planners have realised too late that having available accommodation at all price levels is important for the economic wellbeing of the city. Otherwise it will be unattractive to live in throbbing Frankfurt because rents eat away too large a proportion of incomes. That is the price that has to be paid for the nickname "Mainhattan."

Michael Best

(Deutsches Allgemeines Sonntagsblatt, Hamburg, 6 January 1989)

Demand forces people into concrete jungle

Eighteen months ago Berliners looking for rented accommodation would not look at the notorious high-rise Märkisches Viertel housing estate for love nor money.

The situation has since changed radically. The non-profit-making housing association Gesobau alone has 4,000 applicants on its books, 1,000 of them with a certificate stating they are emergency cases.

At present only 800 of the 15,000 Gesobau apartments go vacant annually. The applicants' prospects are abysmal.

Gesobau managing director Rolf Brüning denied rumours that apartments in the Märkisches Viertel could only be got by bribery.

He said that new guidelines for the allocation of accommodation have been introduced to counter accusations of fiddling.

In view of the acute shortage of accommodation in Berlin it should at least be possible to check that the allocation of accommodation is done fairly.

The result of the recent census has revealed that there is a particularly grave "new accommodation need" in West Berlin.

For some time it has been common knowledge that there are about 60,000 too few apartments in the city and 120,000 more citizens than projections reckoned so far.

The situation became much graver when the CDU-FDP coalition government in Berlin lifted the fixed-rents regulations for old accommodation in Berlin a year ago.

Berlin's Senator for Housing, Georg Wittwer (CDU), answered Opposition and tenant association criticism by saying that there was enough accommodation available in Berlin. Tenants were asked to be reasonable.

An official investigation now confirms, however, that luxury apartments in West Berlin are more expensive than in any other part of the Federal Republic.

Nevertheless, according to builders, potential tenants are standing "in queues a mile long" to occupy posh apartments in the Grunewald district at DM30 per square metre, heating extra.

But the Berlin housing market is very limited for modestly-priced accommodation. Yet people who cannot pay the high rents in the city centre cannot move out to less expensive accommodation in the suburbs as in other cities.

It was assumed that fixed rents of a year ago for old accommodation would increase only about five per cent over the year, and not more than ten per cent for newly-built apartments. But rents have shot up a lot more than that.

Quite openly the house-owners association magazine revealed to its readers that even if rents go over the 10-per-cent increase mark only a civil law suit can be taken up and not a case involving a fine.

There are no exact figures about the number of people in Berlin who are on the lookout for accommodation.

At present there are about 70,000 people in low-income groups with a priority certificate for housing looking for homes, and 20,000 of them have a certificate showing that they are emergency cases.

A Berlin newspaper has reported about a family of 12 who, for a year, lived in a small flat of two normal rooms and a small room, for instance.

Young people who were homeless squatted in a house in the borough of Kreuzberg just to draw public attention to their plight in winter.

Dozens of students took sleeping-bags and lay on beds in the furniture department of the posh KaDeWe department store in the city, or have taken a thick groundsheet and sleeping-bag and made a public protest in Berlin's Kurfürstendamm.

The Berlin organisation to give succour to Aids patients has demonstrated in a street playlet that many seriously-ill people have had to turn to friends for shelter or live in accommodation with an outside toilet.

People looking for accommodation paste notices on Berlin trees and lamp-posts offering up to DM10,000 reward for a tip about bargain accommodation.

Because of the acute housing shortage Berlin's SPD has proposed an experiment to build homes under the management of the local authority in the same way as schools and other public buildings.

The city could exercise its option to purchase property and have a participation on real estate it owns either by building itself or through non-profit housing associations.

The opposition SPD would reintroduce tied rents.

Otto Edel of the housing committee of Berlin's House of Representatives, said that without such an arrangement it would be impossible for Berlin to get out of its special difficulties.

Despite recent experiences the CDU believes that is a totally wrong approach. The party has promised in its campaign programme for the elections for the city's parliament, scheduled to take place at the end of January, that 30,000 new apartments will be built over the next four years.

Heinz-Viktor Simon, spokesman for housing in the CDU parliamentary party in Berlin, said: "If we had not had fixed rents for so long the condition of old buildings would not have declined so much."

Birgit Loff

(Kölner Stadt-Anzeiger, Cologne, 3 January 1989)

■ LEGACIES

10,000 files stolen from American-run Nazi document centre in Berlin

A West Berlin court has passed sentences in the case involving the theft of more than 10,000 Nazi files from the Berlin Document Center.

The main accused, Alfred Darko, former head of the photo department of the US-administered centre in the borough of Zehlendorf, was sentenced to two years and four months imprisonment.

The other three accused were put on probation and given fines for receiving stolen goods.

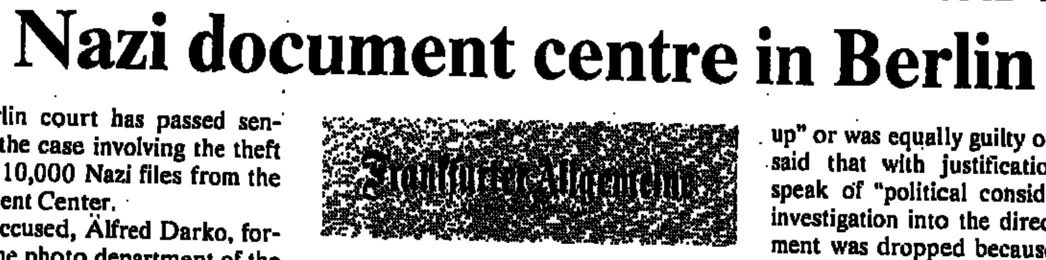
The owner of one of the largest auction houses in Germany specialising in military memorabilia, Hamburg-based André Hüsken, 32, was given a two-year suspended sentence and ordered to donate DM50,000 to charity.

Herbert Borrmann, the Berlin dealer in military memorabilia, was given a suspended sentence of 20 months and a fine of DM70,000.

Second-hand dealer Henry Berger, also from West Berlin, was given a 21-month suspended sentence and a fine of DM7,000.

The sentences were suspended variously from between three and five years in the three cases.

The court assumed that there were people behind the main accused, Darko, and did not exclude the possibility that the case could have concerned his superiors, without going into this point more closely.



The head of the Berlin Document Center was expressly excluded from this assumption.

In explaining the judgment the presiding judge stated that these persons could have made the decisions about the thefts, while Darko was an "interested messenger."

These facts were taken into consideration in the accused's favour when reaching a verdict.

During the trial Darko stated that his superiors had put him up to passing on the documents to an intermediary, whom they had selected.

In an earlier hearing before the public prosecutor Darko said that the director of the Document Center and his deputy had asked him to take the files.

Before the pronouncement of judgment Darko's defence lawyer said that, on the question of people in the background, the American director of the Document Center had been "handled with kid gloves." The lawyer said that the director had known of the theft "since 1985."

The defence took the view that this indicated the director had "at least covered up" or was equally guilty of the theft. He said that with justification one could speak of "political considerations." An investigation into the director's involvement was dropped because of a lack of evidence against him.

The Berlin prosecutor's office is conducting an investigation against the former deputy to the director of the Document Center on suspicion of theft and against nine other persons on suspicion of receiving stolen goods.

The end to these investigations is not yet in sight.

As long ago as 1983 the US mission in Berlin provided information that original files from the Document Center had come to light in Stuttgart and Fulda.

In the course of later investigations clues from Britain were followed up, but because suspects could not be pinpointed the investigations were suspended.

Only after repeated anonymous snips of information from Hamburg and London came to hand involving the lost files was the case reopened last year.

Charges of theft, receiving stolen goods and forgery were made against Darko, Berger, Borrmann and Hüsken, owner of an auction house in Hamburg, in mid-October last year.

The stolen original files are a small part of the 30 million from the Third Reich which are stored in a bunker beneath a house in Zehlendorf surrounded by a barbed-wire fence.

Top security is applied to the house which is under the supervision of the American protecting powers.

The most important part of the collection is the almost complete Nazi archives with data on something like 10.7 million party members.

The collection also includes personal files on 600,000 members of the SA, the Brown Shirts, 230,000 Gestapo men and woman, and 60,000 officers and 490,000 members of the Nazi teachers association and the Reich's register of doctors.

These archives also include files from the Race and Settlements Central Office under the Chamber of Culture and the People's Court.

The case involving the Berlin Document Center has triggered the reopening of the negotiations between the United States and the Federal Republic, which had stagnated for a number of reasons, for the handing over of these archives to the German authorities. The negotiations have been going on since 1967.

The main impediment to the Federal Republic's taking over the archives was that the microfilming of the collection for the National Archives in Washington had not yet been completed. This was a basic requirement for the Americans before the archives could be handed over.

Well-informed sources now know that cash has been made available to speed up the microfilming of these archives.

The Berlin Document Center papers will in all probability be handed over to the Federal Republic, probably for the Federal Archives in Koblenz, in the foreseeable future.

Ralf Georg Reuth

(Frankfurter Allgemeine Zeitung für Deutschland, 10 January 1989)

Hitler turns up in pirated video propaganda games

Horror videos are not the only entertainment available in West German homes that could make you sick. Some computer games are nauseating, and almost every fourth household in the Federal Republic now has a home computer on which to play them.

Neo-Nazis have smuggled into the black market games such as "Hitler and Hess," "Made in Buchenwald" or "Adolf Hitler jr," whose primitiveness and offensiveness cannot be outdone.

The Bonn-based Bundesprüfstelle (the Federal government agency for monitoring comics, magazines and videos for their suitability for children and adolescents) has placed on its index 107 games which promote racial hatred, racial incitement and glorification of violence.

The examiners in Bonn are convinced, however, that they have only dealt with "the tip of the iceberg." Many parents would be amazed at the floppies their children are pushing into their computers.

The computer game "The Nazi" is one example, producer unknown. There are 21 questions. A player must select one of three answers for each question and is praised or criticised according to the answers he or she gives.

For instance to the question: "A Turkish boy comes at you, what do you do?" One answer is: "I'd bash him in." For this answer the player is criticised for being "too humane to the bastard."

Praise is only given for the answer: "I would give him a potassium cyanide capsule and tell him it was a sweet."

It goes without saying that on meeting a Turkish taxi driver points are only given for the answer: "I would throw a hand-grenade into his taxi."

For a wrong answer the player is called "Un-German," "cowardly Jewish pig" or "the worst kind of Tamil rat."

Hatred of Turks is a feature of many of these computer games. At the beginning of the game "Hitler Diktator" Adolf Hitler promises: "I shall return and put all the Turks in a gas chamber."

There are also games which call for a high degree of intelligence but which are not one iota better.

In the game "Stalag I" the guards at a concentration camp have to prevent a break-out of the camp prisoners with every means possible.

Another game involves extending as far as possible one's own Reich for Aryans by armed violence. The game recommends the occasional pogrom because otherwise the Jews would rob tax collectors levying funds to pay for new troops. Naturally the "dirty Bolsheviks" are not forgotten in "Aryan games," "Clean Germany" or "The first Nazi Demo," Bolsheviks who "molest a fine German woman," or "the German warriors," who "as tough as Krupp steel" will conquer the rest of the world. Hardly a word from Nazi jargon is left out. Sometimes the computer games resound with the digitalised original sound of the voices of Hitler and Goebbels. The main point of sale for these floppies, through which neo-Nazis want to get at young people who are computer freaks, is the school playground. The programmes can then be endlessly copied on the computer at home.

Many make themselves available through so-called "mailboxes." This is a kind of computerised information archives which can be tapped free or for a charge with the aid of a computer and a telephone connection with a modem or acoustic couplers.

Main centres for these "mailboxes" are Berlin, Munich, Hamburg and the Ruhr. Mailbox users can call up information and programmes with their computers but they can also feed in their own communications, tips and slogans.

The video Hitler promises to return. (Photo: AP)

According to the Bundesprüfstelle right-wing extremists have made increasing use of this medium.

The authorities have to deal with new technical problems in chasing after Nazi software. The Bundesprüfstelle only moves into action when it has a tip-off from the state youth affairs office.

Youth affairs offices on the spot, the main sources of information for the Bundesprüfstelle, have "variable connections with these circles," according to the head of the Bundesprüfstelle, Rudolf Stefen. The CID is generally less well-connected with them.

The social backgrounds of the users has not yet been researched. It is known, however, that young people involved are "real computer game players," that is players who are simply interested in using their computers for the games, mainly young people from lower-income homes with limited self-esteem.

The latest Bundesprüfstelle report says that "in an area full of failure" the players are looking for some "sign of approval at least."

Schoolboys and girls from advanced classes and students rather play "adventure games" which depend less on a speedy reaction and more on fantasy and patience.

Only between ten and 20 per cent of the players in both categories are girls.

The users of the "mailboxes" system are mainly male. They include students from technical disciplines who have developed considerable abilities in the main to infiltrate a data network.

They would be the first in a position to wreck the Nazi software in the mailboxes. It would be a job well worth doing.

Gerd Rauhaus

(Nürnberger Nachrichten, 5 January 1989)